



PUNJAB & SIND BANK
HO Accounts & Audit Deptt. (SHARES CELL)

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June 20, 2011.

Ref:PSB/HO/SharesCell/ /2011-12

To,
The General Manager,
Bombay Stock Exchange Limited,
Department of Corporate Services,
25th floor, Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai – 400 001.

FAX: 022 22723121/2039
SCRIP CODE : 533295
SCRIP ID : PSB

The Executive Director,
National Stock Exchange of India Ltd,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra(E),
Mumbai – 400 051.

FAX: 022 26598237/38
SYMBOL : PSB
SERIES : EQ

Dear Sir,

Reg: Proceedings of the Annual General Meeting held on 16.06.2011
- Clause 31 (d) of the Listing Agreement.

Please find enclosed a copy of “Proceedings of the First Annual General Meeting” held on 16.06.2011, in terms of Clause 31 (d) the Listing Agreement.

Please acknowledge receipt.

Yours faithfully

[Ajit Singh Ahuja]
Company Secretary

Encl: as above.

PROCEEDINGS OF THE FIRST ANNUAL GENERAL MEETING OF PUNJAB & SIND BANK HELD ON THURSDAY, 16 JUNE, 2011 AT 11.00 A.M. AT AIR FORCE AUDITORIUM, SUBROTO PARK, NEW DELHI -110 010

PRESENT

1.	Sh. P.K. Anand	Executive Director
2.	Sh. A. Bhattacharya	Director
3.	Sh. A.K. Surana	Director
4.	Sh. Krishan Murari Gangawat	Director
5.	Sh. Karanpal Singh Sekhon	Director
6.	Sh. Sukhen Pal Babuta	Director

717 Members : (in person)

47 Members : (in proxy)

(Out of 58 proxies received by the Bank till 11.06.2011 being the last day for receipt of proxies, 55 proxies representing 68,76,590 shares (3.08% of the Share Capital) were valid and in order of which 47 attended the meeting.).

In Attendance:

Shri Govind Ram, Section Officer from Department of Financial Services, Ministry of Finance, Govt. of India, New Delhi (Representative of Government of India).

1. Ms. Harvinder Sachdev - Asstt. General Manager, welcomed the shareholders at the 1st Annual General Meeting of the Bank and invited the Chairman of the meeting to formally introduce the directors and address the Shareholders.
2. Mr. P.K.Anand-Executive Director of the Bank presided over the Meeting as the Chairman in terms of the Regulation 59 of Punjab & Sind Bank (Shares & Meetings) Regulations, 2008.
3. The Chairman introduced the Directors of the Bank and representative of Ministry of Finance present at the meeting.
4. The Executive Director (Chairman of the Meeting) announced that the necessary quorum pursuant to Regulation 58 of the Punjab & Sind Bank (Shares and Meetings) Regulations, 2008 being present and declared that the meeting is in order.
5. The Chairman of the meeting informed that the Notice of the Meeting was published in terms of Regulation 56 of Punjab & Sind Bank (Shares & Meetings) Regulations, 2008 and the said Notice and Annual Report was mailed to all the shareholders within the statutory time and the same was also placed on the website of the Bank www.psbindia.com. The Annual Report of the Bank was taken as read.

Proceedings of the First Annual General Meeting of the Bank on 16.06.2011

6. The Chairman of the meeting while delivering the address to the shareholders apprised them of the performance of the Bank during the Financial Year 2010-11 (The Chairman's Speech to the shareholders is appended to the Proceedings).

7. Thereafter, the Chairman of the meeting took up the agenda of the Meeting as under:

Item No.1

The Chairman of the meeting moved the Resolution for discussion, approval and adoption of accounts for the year ended 31st March, 2011 together with the Report of Board of Directors on the working and activities of the Bank for the period covered by the Accounts and the Auditor's Report on the Balance Sheet & Accounts, as under:

The following Resolution was proposed by Mr. D. D. Sardana and seconded by Mr. Ajay Khurana.

"RESOLVED THAT the Balance Sheet of the Bank as at 31.03.2011, Profit & Loss A/c of the Bank for the financial year ended 31st March, 2011, the Report of Directors on the working and activities of the Bank for the period covered by the Accounts and the Auditor's Report on the Balance Sheet and Accounts be and hereby discussed, approved and adopted."

The Chairman of the meeting invited queries from the shareholders. Following queries were raised by the shareholders:

- a. Mr. Sunil Jain highlighted need for giving full details in respect of ECS related entries in the pass book.
- b. Mr. M.P.Bhutani showed his concern regarding decline in yield on advances, increase in cost of deposits, increase in audit fee/other expenditures, liability on account of forex forward contracts and decline in return on assets during the year 2010-11.
- c. Mr. Yash Pal Chopra showed his concern as the current market price is lower than the price at which the shares were allotted.
- d. Mr. D. D. Sardana appreciated the efforts of the Bank in registering substantial growth of business and about expansion of CBS project in the Bank.
- e. Mr. Vivek Goel appreciated the improvement in working of the Bank and reminded the shareholders that the share price is dependent on market behavior. He showed concern about low percentage of CASA deposit of the Bank.

The queries were duly replied to by the Chairman of the meeting to the satisfaction of the House.

The Resolution was carried unanimously by show of hands.



Proceedings of the First Annual General Meeting of the Bank on 16.06.2011

Item No.2.

Then Chairman took up the second item of agenda.

The Chairman of the meeting informed the shareholders that the Board in its meeting held on 30.04.2011 had recommended Dividend of Rs. 2/- (Rupees Two Only) per equity share of Rs. 10/- each, for the financial year 2010-11 to be paid to such shareholder's whose name appear in the Register of Members as on 01.06.2011 (i.e. a day before the start of Book Closure – 02.06.2011 to 16.06.2011).

The Chairman of the meeting then moved the following Resolution to approve and declare dividend for the Financial Year 2010-11.

“RESOLVED THAT pursuant to the recommendation made by Board of Directors of the Bank, Dividend of Rs 2/- per equity share of Rs.10/- each for the Financial Year 2010-11 be and is hereby approved and declared.”

“FURTHER RESOLVED THAT the said Dividend be paid to shareholders of the Bank whose names appear in the Register of members as on close of the business hours on 01.06.2011 and date of payment shall be 29th June 2011.”

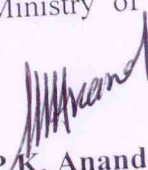
The resolution was proposed by Ms. Shanti Devi and seconded by Ms. Neelam Sharma. The resolution was carried unanimously by the show of hands:

Item No. 3:

The Chairman informed the house that the Bank had received only two valid nominations from Mr. Sukhen Pal Babuta and Mr. Rajendran Narayanan in terms of Regulation 66 of Punjab & Sind Bank (Shares and Meetings) Regulations, 2008. Mr. Sukhen Pal Babuta and Mr. Rajendran Narayanan are deemed to have been elected as directors of the Bank from amongst the shareholders, other than the Central Government, in terms of Section 9(3) (i) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 read with Clause 9(4) of the Nationalised Banks (Management & Miscellaneous Provisions) Scheme 1980 and Regulation 66 of Punjab & Sind Bank (Shares and Meetings) Regulations, 2008. The two directors assumed office with effect from 3rd June, 2011 and shall hold office for a period of three years i.e. till 2nd June, 2014.”

Conclusion of Meeting

There being no other business, the Chairman concluded the Meeting and thanked the Shareholders present and members on the Board, and Representative of Ministry of Finance and staff of the Bank.


P.K. Anand
Executive Director

CHAIRMAN' SPEECH

Dear Shareholders,

I have great pleasure to welcome all of you to the First Annual General Meeting of your Bank and present the Annual Report of your Bank for the period ended March, 2011.

ECONOMIC SCENARIO

In a globalized world with its share of uncertainties and rapid changes, this year brought some opportunities and challenges as India moved ahead with steady steps on the chosen path of fiscal consolidation and higher economic growth.

India's growth in 2010-11 has been swift and broad based. The economy is back to its pre-crisis growth trajectory. While agriculture has shown a rebound, industry regained its earlier momentum. Service sector continued its near double digit growth. The GDP of India is estimated to have shown growth at the rate of 8.6% in the real terms in 2010-11. Agriculture/Industry/Service Sector is estimated to have growth at the rate of 5.4%, 7.8% and 9.6% respectively. The economy has thus shown remarkable resilience to both external and domestic shocks. Exports have grown at the rate of 29.4% to reach USD 184.6 billion while imports at USD 273.6 billion have recorded a growth of 17.60% during April to January, 2011 over the corresponding period last year.

The money supply (M3) growth at 15.9% (year on year) during 2010-11 was lower than the Reserve Bank's indicative trajectory of 17% due to slow deposit growth and acceleration in currency growth. The higher currency demand slowed the money multiplier. Consequently, M3 growth slowed despite a significant increase in reserve money.

During the year 2010-11 credit growth which was earlier driven by infrastructure sector became increasingly broad based across sectors and industries evidencing growth momentum and demand pressures. Credit flow to services sector increased significantly for transport operators, tourism, hotel and restaurant and commercial real estate besides retail, housing and personal loans.

In the first week of May, the RBI announced its annual policy for 2011-12. Based on assumption of a normal monsoon and crude oil prices averaging US \$ 110 a barrel over FY2012, RBI projected the baseline projection of real GDP growth rate at around 8%.

The common theme of the policy seems to be to strongly rein in inflation amidst rising commodity prices and equally increasing demand. Food price control is a challenge to the policy makers. Repo and Reverse Repo rates both have been increased by 50bps which is expected to control the inflation seen in the last few years.

Increase in interest on Saving Bank Deposit from 3.50% to 4% will have an immediate direct impact on our net interest income and margin..

INITIAL PUBLIC OFFERING OF THE BANK

During the year the Bank came out with Initial Public offering which got tremendous response from the Public. The issue was oversubscribed by over 50 times. The share of the Government has been reduced to 82.07% from the earlier 100%.

PERFORMANCE HIGHLIGHTS OF BANK

I have immense pleasure in sharing with you your Bank's performance for year 2010-11.

- a) The total gross business of the Bank recorded an increase of 25.23% at Rs.1,02,556 crores as compared to Rs.81,894 crore as on 31.3.2010.
- b) The Bank's Advances increased by 30.83% from Rs.32,738.68 crores as on 31.3.2010 to Rs.42,832.62 crores as on 31.3.2011.
- c) Priority Sector Advances of the Bank increased from Rs.10753 crores as on 31.3.2010 to Rs.13249 crores as on 31.3.2011 constituting 40.4% of Adjusted Net Bank Credit. The Bank has thus achieved Priority Sector target for the year 2010-11.

- d) Agriculture credit increased from Rs.5063 crore as on 31.3.2010 to Rs.5993 crores as on 31.3.2011 constituting 18.3% of Adjusted Net Bank Credit.
- e) Advances to MSME Sector increased by 17.8% during the year 2010-11 to Rs.6900 crores.
- f) Lending to Minority Communities was 28.51% of total advances as on 31.3.2011 against national target of 15%.
- g) Deposit of the Bank registered a growth of 21.50% to reach Rs.59,723 crores as on 31.3.2011 from Rs.49,155 crores as on March 31, 2010.
- h) Operating Profit of the Bank increased by 15.49% at Rs.1013.50 crores in comparison to Rs.877.57 crores in 2009-10. Net Profit increased to Rs.526.17 crores for the year 2010-11.
- i) The aggressive and focused efforts in recovery could result in the total recovery of over Rs.288.02 crore including recovery of Rs.115.66 crores in Technical Written Off Accounts. The gross NPAs stood at 0.99% and net NPA at 0.56%.
- j) The provisioning coverage ratio of the Bank stood at 81.82% as against 70% required by RBI.

RRB SPONSORED BY THE BANK

I take this opportunity to inform you that Sulej Gramin Bank, Bhatinda, the RRB sponsored by your Bank, covering 6 districts of Punjab, namely, Bhatinda, Faridkot, Mansa, Muktsar, Moga and Ludhiana is in profit since inception.

FINANCIAL INCLUSION

Bank has prepared a Financial Inclusion Plan (FIP) for covering 387 unbanked villages with population above 2000 by March, 2012. It is planned to provide banking services in all the allocated villages through delivery channels viz. Opening of brick and mortar branches in 20 villages and through ICT based Smart Card Model by engaging BCs in 367 villages

NEW INITIATIVES

During the year your Bank launched sale of Gold Coins in denominations of 5,8&10 gms. Out of 115 kgs of Gold imported, 108 kgs. of gold was sold upto 31.03.2011.

Bank formulated Scheme for financing of construction of godowns for FCI for storage of food grains. Bank also formulated Scheme for financing against pledge of ware-house receipts issued by ware-houses managed by National Bulk Handling Corporation Ltd. A Scheme for Dairy Entrepreneurship Development Scheme was also formulated.

RISK MANAGEMENT/IMPLEMENTATION OF BASEL II

The Bank has put in place requisite Risk Management Systems which are reviewed and updated periodically in the light of guidelines received from Reserve Bank of India and other regulatory bodies from time to time. Bank has geared up to maintain time schedule for moving towards advance approaches under BASEL II as suggested by RBI.

INDUSTRIAL RELATIONS

The Industrial relations in the Bank remained cordial through out the year. The representatives from Workers and Officers unions participated in various discussions on developmental and other issues with the management at various levels.

CUSTOMER SERVICE

With our customers, we share a long and enduring relationship that is built over the years on trust and an abiding hope that the Bank will always partner for the fulfillment of their dreams in a professional manner. We are committed for bringing to our esteemed customers the best of banking services, products and a tradition of excellence.

CORPORATE GOVERNANCE

Your Bank has been maintaining the highest standards of Corporate Governance by adopting best industry practices. The Bank has been adhering to the corporate governance guidelines laid down by SEBI and RBI.

Bank's Corporate Governance policies recognize the accountability of the Board and the impact of its decisions on all the stakeholders.

THE ROAD AHEAD

Having crossed the Business Mix landmark of Rs.1.00 lac crore in 2010-11, we are looking optimistically at the road ahead.

The Bank has initiated second phase of recruitment process for the recruitment of 920 officers including specialized officers and 450 clerks through direct recruitment.

Bank has prepared a Financial Inclusion Plan for covering 387 unbanked villages with population of 2000 by March, 2012.

On behalf of the Board of Directors and on my own behalf, I take this opportunity to express my sincere thanks and gratitude to all the shareholders of Bank for reposing their faith in the Management. I also thank every employee of the Bank for their dedication and our loyal customers for their continued support and patronage.

I take this opportunity to thank all the directors on the Board of the Bank for their valuable contributions. I shall be failing in my duties if I do not thank the representative of the Government of India. My sincere thanks to the Ministry of Finance, Government of India and the Reserve Bank of India for their continued guidance and support.

Notice of the Meeting has been published in terms of Regulation 56 of Punjab & Sind Bank (Shares & Meetings) Regulations, 2008 and the said Notice and Annual Report were mailed to all the shareholders and the same was also placed on the website of the Bank www.psbindia.com. The Annual Report of the Bank is taken as read.
