

SHARE DEPARTMENT, FINANCE DIVISION, 5, SANSAD MARG, NEW DELHI-110001  
Tel Nos : 011-23708257 Fax No : 011-23766079, E-mail : hosd@pnb.co.in

SD/SE/61/63  
17.05.2014

Script Code : PNB	Script Code : 532461
The Assistant Vice President National Stock Exchange of India Limited "Exchange Plaza", Bandra – Kurla Complex, Bandra (E), <b>Mumbai – 400 051</b>	The Dy. General Manager Bombay Stock Exchange Limited 1 <sup>st</sup> Floor, Phiroze Jeejeebhoy Towers Dalal Street, <b>Mumbai – 400 001</b>

Dear Sir,

Please find below the revised figures in "Annual Financial Results for Year ended 31.03.2014."

Sr No.	Particulars	Year ended 31.03.2014 (consolidated)
1d	Others	23140 (Instead of 23141)
3	Total Income	4966843 (instead of 4966844)
7	Operating Profit	1186667 (instead of 1186668)
10	Profit(+)/Loss(-) from ordinary activities before tax	496945 (instead of 496946)
13	Add share of earnings in associates	13929 (instead of 13924)
14	Net profit(+)/Loss(-)	361707 (Instead of 361703)
16	Net profit for the period (14 – 15)	361707 (Instead of 361703)

Thanking you,

Yours faithfully,

  
(A Gopinathan)  
Company Secretary



**PUNJAB NATIONAL BANK**  
**ANNUAL FINANCIAL RESULTS FOR THE PERIOD ENDED 31st MARCH, 2014**

₹ In lacs

S.No.	Particulars	Quarter Ended (Solo)			Year Ended (Solo)		Year Ended (Consolidated)	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
		AUDITED	REVIEWED	AUDITED	AUDITED		AUDITED	
1	<b>Interest Earned ( a+b+c+d )</b>	<b>1110133</b>	<b>1098387</b>	<b>1037663</b>	<b>4322325</b>	<b>4188582</b>	<b>4495810</b>	<b>4307060</b>
	a) Interest/discount on advances/bills	824913	824639	779038	3239309	3184704	3370968	3270366
	b) Income on Investments	265940	259881	240563	1026583	952995	1064721	985200
	c) Interest on Balances with RBI & other Inter Bank Funds	8784	9493	10228	36224	32486	36980	32517
	d) Others	10496	4374	7834	20209	18397	23141	18977
2	Other Income	139690	93843	117621	457671	422343	471034	430954
3	<b>TOTAL INCOME (1+2)</b>	<b>1249823</b>	<b>1192230</b>	<b>1155284</b>	<b>4779996</b>	<b>4610925</b>	<b>4966844</b>	<b>4738014</b>
4	Interest Expended	709953	676275	660013	2707728	2703682	2822027	2780243
5	<b>Operating Expenses (i+ii)</b>	<b>222527</b>	<b>245717</b>	<b>210100</b>	<b>933823</b>	<b>816506</b>	<b>958149</b>	<b>833730</b>
	(i) Employees' Cost	147778	175804	142127	651045	567472	661639	575148
	(ii) Other operating expenses	74749	69913	67973	282778	249034	296510	258582
6	<b>TOTAL EXPENSES (4+5)</b> (excluding provisions & contingencies)	<b>932480</b>	<b>921992</b>	<b>870113</b>	<b>3641551</b>	<b>3520188</b>	<b>3780176</b>	<b>3613973</b>
7	<b>Operating Profit (3-6)</b> (Profit before Provisions & Contingencies)	<b>317343</b>	<b>270238</b>	<b>285171</b>	<b>1138445</b>	<b>1090737</b>	<b>1186668</b>	<b>1124041</b>
8	Provisions (other than tax) and contingencies	213869	159004	147770	669394	438561	689722	445395
9	Exceptional items	0	0	0	0	0	0	0
10	<b>Profit (+)/Loss (-) from ordinary activities before tax (7-8+9)</b>	<b>103474</b>	<b>111234</b>	<b>137401</b>	<b>469051</b>	<b>652176</b>	<b>496946</b>	<b>678646</b>
11	Tax Expense (Including FBT)	22839	35693	24321	134794	177409	143484	185922
12	Less : Minority Interest	NA	NA	NA	NA	NA	5683	6539
13	Add : Share of earnings in Associates	NA	NA	NA	NA	NA	13924	9236
14	<b>Net Profit (+)/Loss(-) from ordinary activities after tax (10-11-12-13)</b>	<b>80635</b>	<b>75541</b>	<b>113080</b>	<b>334257</b>	<b>474767</b>	<b>361703</b>	<b>495421</b>
15	Extraordinary items (net of tax expense)	0	0	0	0	0	0.00	0.00
16	<b>Net Profit (+)/Loss(-) for the period (14-15)</b>	<b>80635</b>	<b>75541</b>	<b>113080</b>	<b>334257</b>	<b>474767</b>	<b>361703</b>	<b>495421</b>
17	Paid up equity Share Capital (Face value ₹ 10/-each)	36207	36207	35347	36207	35347	36207	35347
18	Reserves excluding revaluation reserves	3412507	3089458	3089458	3412507	3089458	3595816	3268096
19	<b>Analytical Ratios</b>							
	(i) Share holding of Govt. of India (%)	58.87	58.87	57.87	58.87	57.87		
	(iia) Capital Adequacy Ratio (%) as per Basel-II	12.28	11.62	12.72	12.28	12.72	12.69	13.16
	(iib) Capital Adequacy Ratio (%) as per Basel-III	11.52	11.02	NA	11.52	NA	12.11	NA
	(iii) Earnings per Share (EPS) not annualized in ₹							
	(a) Basic & diluted EPS before extraordinary items	22.27	21.29	32.91	93.91	139.52	101.62	140.16
	(b) Basic & diluted EPS after extraordinary items	22.27	21.29	32.91	93.91	139.52	101.62	140.16



S.No.	Particulars	Quarter Ended (Solo)			Year Ended (Solo)		Year Ended (Consolidated)	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
		AUDITED	REVIEWED	AUDITED	AUDITED		AUDITED	
	(iv) NPA Ratios:							
	(a) Amount of gross non-performing assets	1888006	1659584	1346579	1888006	1346579		
	(b) Amount of net non-performing assets	991699	908399	723650	991699	723650		
	(c) % of gross NPAs	5.25	4.96	4.27	5.25	4.27		
	(d) % of net NPAs	2.85	2.80	2.35	2.85	2.35		
	(v) Return on Assets ( Annualised ) %	0.58	0.58	0.93	0.64	1.00		
20	<b>Public Shareholding</b>							
	(i) No. of Shares	148901807	148901807	148901807	148901807	148901807		
	(ii) Percentage of Share holding	41.13	41.13	42.13	41.13	42.13		
21	<b>Promoters and Promoter Group Share Holding</b>							
a)	<b>Pledged/Encumbered</b>							
	--Number of shares	Nil	Nil	Nil	Nil	Nil		
	--Percentage of shares (as % of the total shareholding of promoter & promoter group)	Nil	Nil	Nil	Nil	Nil		
	--Percentage of shares(as % of the total share capital of the bank)	Nil	Nil	Nil	Nil	Nil		
b)	<b>Non-Encumbered</b>							
	--Number of shares	213168119	213168119	204571589	213168119	204571589		
	--Percentage of shares(as % of the total shareholding of promoter & promoter group)	100	100	100	100	100		
	--Percentage of shares(as % of the total share capital of the bank)	58.87	58.87	57.87	58.87	57.87		

Not Applicable

**SUMMARISED BALANCE SHEET**

(₹ in Crore)

Particulars	Solo As at Mar 2014 (Audited)	Solo As at Mar 2013 (Audited)
<b>CAPITAL &amp; LIABILITIES</b>		
Capital	362.07	353.47
Reserves & Surplus	35533.25	32323.43
Deposits	451396.75	391560.06
Borrowings	48034.41	39620.92
Other Liabilities and Provisions	15093.44	15089.85
<b>TOTAL</b>	<b>550419.92</b>	<b>478947.73</b>
<b>ASSETS</b>		
Cash & Balances with Reserve Bank of India	22245.58	17886.25
Balances with Banks & Money at Call & Short Notice	22972.87	9249.13
Investments	143785.50	129896.19
Advances	349269.12	308795.90
Fixed Assets	3419.74	3357.68
Other Assets	8727.11	9762.58
<b>TOTAL</b>	<b>550419.92</b>	<b>478947.73</b>





**SEGMENT REPORTING FOR THE QUARTER /YEAR ENDED 31st MARCH 2014**

₹ In lacs

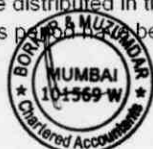
Sr. No.	Particulars	Quarter Ended			Year Ended	
		Standalone			Standalone	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013
	Audited	Reviewed	Audited	Audited	Audited	
<b>1</b>	<b>Segment Revenue</b>					
	(a) Treasury Operations	307450	281354	283466	1156487	1064204
	(b) Corporate/Wholesale Banking	607444	570468	558325	2280260	2234046
	(c) Retail Banking	331103	329717	291137	1298618	1244100
	(d) Other Banking Operations	3826	10691	22356	44631	68575
	<b>Total Revenue</b>	<b>1249823</b>	<b>1192230</b>	<b>1155284</b>	<b>4779996</b>	<b>4610925</b>
<b>2</b>	<b>Segment Results</b>					
	(a) Treasury Operations	36245	27723	49619	130238	120923
	(b) Corporate/Wholesale Banking	205727	184473	169961	724758	673135
	(c) Retail Banking	112558	106626	88708	412753	374857
	(d) Other Banking Operations	1525	3521	6783	14186	20662
	<b>Total</b>	<b>356055</b>	<b>322343</b>	<b>315071</b>	<b>1281935</b>	<b>1189577</b>
<b>3</b>	<b>Unallocated Expenditure</b>	38712	52105	29900	143490	98840
<b>4</b>	<b>Operating Profit</b>	<b>317343</b>	<b>270238</b>	<b>285171</b>	<b>1138445</b>	<b>1090737</b>
<b>5</b>	<b>Profit before Tax</b>	<b>103474</b>	<b>111234</b>	<b>137401</b>	<b>469051</b>	<b>652176</b>
<b>6</b>	<b>Provision for Tax</b>	22839	35693	24321	134794	177409
<b>7</b>	<b>Extraordinary items</b>		0	0	0	0
<b>8</b>	<b>Share of Earning in Associates(Net)</b>					
<b>9</b>	<b>Minority Interest</b>					
<b>10</b>	<b>Net profit</b>	<b>80635</b>	<b>75541</b>	<b>113080</b>	<b>334257</b>	<b>474767</b>
<b>11</b>	<b>Segment Assets</b>					
	(a) Treasury Operations	14738938	14690791	13614511	14738938	13614511
	(b) Corporate/Wholesale Banking	27042005	25017570	23375336	27042005	23375336
	(c) Retail Banking	11680455	10951780	10111671	11680455	10111671
	(d) Other Banking Operations	1207539	1172926	456162	1207539	456162
	(e) Unallocated	373055	358687	337093	373055	337093
	<b>Total</b>	<b>55041992</b>	<b>52191754</b>	<b>47894773</b>	<b>55041992</b>	<b>47894773</b>
<b>12</b>	<b>Segment Liabilities</b>					
	(a) Treasury Operations	13871663	13778978	12743438	13871663	12743438
	(b) Corporate/Wholesale Banking	25450787	23464804	21880206	25450787	21880206
	(c) Retail Banking	10993149	10272035	9464715	10993149	9464715
	(d) Other Banking Operations	1136485	1100126	426976	1136485	426976
	(e) Unallocated	376	42438	111748	376	111748
	<b>Total</b>	<b>51452460</b>	<b>48658381</b>	<b>44627083</b>	<b>51452460</b>	<b>44627083</b>
<b>13</b>	<b>Capital Employed</b>					
	(a) Treasury Operations	867275	911813	871073	867275	871073
	(b) Corporate/Wholesale Banking	1591218	1552766	1495130	1591218	1495130
	(c) Retail Banking	687306	679745	646956	687306	646956
	(d) Other Banking Operations	71054	72800	29186	71054	29186
	(e) Unallocated	372679	316249	225345	372679	225345
	<b>Total Capital Employed</b>	<b>3589532</b>	<b>3533373</b>	<b>3267690</b>	<b>3589532</b>	<b>3267690</b>

**PART B - GEOGRAPHIC SEGMENTS**

Sr. No.	Particulars	Quarter Ended			Year Ended	
		Standalone			Standalone	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013
	Audited	Reviewed	Audited	Audited	Audited	
<b>1</b>	<b>Revenue</b>					
	(a) Domestic	1196799	1152157	1108983	4682517	4520754
	(b) International	53024	40073	46301	97479	90171
	<b>Total</b>	<b>1249823</b>	<b>1192230</b>	<b>1155284</b>	<b>4779996</b>	<b>4610925</b>
<b>2</b>	<b>Assets</b>					
	(a) Domestic	48594534	51672151	43767324	48594534	43767324
	(b) International	6447458	519603	4127449	6447458	4127449
	<b>Total</b>	<b>55041992</b>	<b>52191754</b>	<b>47894773</b>	<b>55041992</b>	<b>47894773</b>

**Notes :**

- Segment Liabilities are distributed in the ratio of their respective Segment Assets.
- Figures of the previous period have been reclassified wherever necessary to make them comparable.



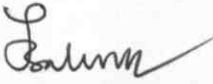
## NOTES

- 1 The above financial results have been reviewed by the Audit Committee of Board in the meeting held on 12.05.2014 and approved by the Board of Directors in the meeting held on 13.05.2014. The same have been subjected to audit by the Statutory Central Auditors of the bank, in line with the guidelines issued by the Reserve Bank of India and as per the requirement of Listing agreement with Stock Exchanges.
- 2 There is no material change in the Accounting Policies adopted during the year March 31, 2014 as compared to those followed in the annual financial statements for the year ended March 31, 2013.
- 3 Banks are required to disclose capital adequacy ratio under Basel III capital regulations from the quarter ended Jun 30, 2013. Accordingly, comparative details for previous period are not applicable.
- 4 The financial results of the bank have been arrived at after considering provisions for non-performing assets, standard assets, restructured advances, standard derivative exposures and investment depreciation on the basis of extant guidelines issued by Reserve Bank of India.
- 5 Provisions for employee benefits pertaining to pension, gratuity and leave encashment have been made on actuarial valuation basis. All other usual and necessary provisions including wage revision and income tax have been made on estimated basis.
- 6 In terms of RBI circular no. DBOD.BP.BC.2/21.06.201/2013-14 dated 01.07.2013 banks are required to make Pillar 3 disclosures under BASEL III capital regulations. Accordingly, Pillar 3 disclosures under BASEL III capital regulations are being made available on Bank's website i.e. [www.pnbindia.in](http://www.pnbindia.in). These disclosures have not been subjected to audit.
- 7 In accordance with guidelines issued by Reserve Bank of India vide Notification No. DBOD.No.BP.BC.80/21.04.018/2010- 11 dated February 09, 2011, an amount of ₹ 166.18 crore has been charged to Profit & Loss account during the current quarter (₹ 664.73 cr. for the year) towards the amortization relating to enhancement in Gratuity limit and re-opening of pension option for existing employees. Unamortized liability carried forward ₹ 664.73 crores shall be charged proportionately in accordance with the said RBI guidelines.
- 8 During the year bank has allotted 85,96,530 equity shares to Govt. of India of ₹ 10/- each at a premium of ₹571.63 per share as determined by the Board in terms of the Chapter VII of the SEBI Regulations 2009 as amended from time to time (the "SEBI ICDR Regulations") on preferential basis. Consequently the Government share holding as on 31.03.2014 is 58.87% as compared to 57.87% before preferential allotment.
- 9 During the year, bank has also raised tier II capital of ₹ 1500 cr. by issue of BASEL III compliant unsecured redeemable non-convertible tier II bonds.
- 10 Pursuant to Reserve Bank of India circular No.DBOD.No.BP.95/21.04.048/2013-14 dated 07th February 2014, bank has utilised 33% of its floating provision held as at 31st March 2013. Accordingly, an amount of ₹354.86 cr. out of floating provision of ₹1075.36 cr. held as on 31.03.2013 has been utilised towards specific provisions for non performing assets.
- 11 Pursuant to Reserve Bank of India (RBI) Circular No. DBOD. No.BP.BC.77/21.04.018/2013-14 dated 20th December 2013, the Bank has created Deferred Tax Liability on the Special Reserve under section 36(1)(viii) of the Income-tax Act, 1961. The expenditure, amounting to ₹ 231.52 crore due to the creation of DTL on Special Reserve as at March 31, 2013, not previously charged to the Profit and Loss Account, has now been adjusted directly from the Reserves. Had this amount been charged to the Profit & Loss Account in accordance with the generally accepted accounting principles in India, the amount of Profit for year would have been lower by ₹ 231.52 cr. During the current year ₹230.00 cr. have been transferred to Special reserve under Section 36 (1) (viii) of the Income Tax Act, 1961. Deferred Tax Liability of ₹77.18 cr has been provided by debiting the Profit and Loss Account.
- 12 The Provisioning Coverage Ratio as at 31st March 2014 works out to 59.07%.



- 13 The Board of Directors in the meeting held on 31/01/2014, declared interim dividend of ₹ 10/- per equity share ₹ 10 each (@ 100% of the paid up capital of the bank). No further dividend is recommended by the Board for the FY 2013-14.
- 14 The figures of last quarter of the year are the balancing figures between audited figures in respect of the financial year and the published year to date figures upto the third quarter of the current financial year.
- 15 Figures of the previous period have been regrouped / rearranged / re-classified wherever necessary to conform to current period's classification.
- 16 Position of complaints from investors as on 31.03.2014:

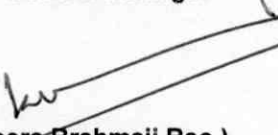
At the beginning	Received	Disposed off	Pending
01	15	15	01

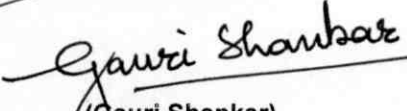
  
(T K Balamukundan)  
Asstt. General Manager

  
(R R Vora)  
Dy. General Manager

  
(P K Mohapatra)  
General Manager

  
(Dr. Ram S. Sangapure)  
Executive Director

  
(K Veera Brahmaji Rao)  
Executive Director

  
(Gauri Shankar)  
Executive Director

  
(K R Kamath)  
Chairman & Managing Director

<p>For G S Madhava Rao &amp; Co. Chartered Accountants FRN 001907S</p> <p> (G Manikya Prasad) Partner (M.No. 020105)</p> <p></p>	<p>For Borkar &amp; Muzumdar Chartered Accountants FRN 101569W</p> <p> (Devang Vaghani) Partner (M.No. 109386)</p> <p></p>	<p>For Phillipos &amp; Co. Chartered Accountants FRN 002650S</p> <p> (C H Sreedharan) Partner (M.No. 006281)</p> <p></p>
<p>For K N Gutgutia &amp; Co. Chartered Accountants FRN 304153E</p> <p> (B R Goyal) Partner (M.No. 012172)</p> <p></p>	<p>For CVK &amp; Associates Chartered Accountants FRN 101745W</p> <p> (A K Pradhan) Partner (M.No. 032156)</p> <p></p>	<p>For Ramesh Kapoor &amp; Co. Chartered Accountants FRN 001477N</p> <p> (Ramesh Kapoor) Partner (M.No. 080725)</p> <p></p>

Place : New Delhi

Date : 13.05.2014



**SEGMENT REPORTING FOR THE QUARTER /YEAR ENDED 31st MARCH 2014**

₹ In lacs

Sr. No.	Particulars	Quarter Ended		Year Ended		Year Ended	
		Standalone		Standalone		Consolidated	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2014	31.03.2013
		Audited	Reviewed	Audited	Audited	Audited	Audited
<b>1</b>	<b>Segment Revenue</b>						
	(a) Treasury Operations	307450	281354	283466	1156487	1064204	1199800
	(b) Corporate/Wholesale Banking	607444	570468	558325	2280260	2234046	2426788
	(c) Retail Banking	331103	329717	291137	1298618	1244100	1293454
	(d) Other Banking Operations	3826	10691	22356	44631	68575	46801
	<b>Total Revenue</b>	<b>1249823</b>	<b>1192230</b>	<b>1155284</b>	<b>4779996</b>	<b>4610925</b>	<b>4966843</b>
<b>2</b>	<b>Segment Results</b>						
	(a) Treasury Operations	36245	27723	49619	130238	120923	148506
	(b) Corporate/Wholesale Banking	205727	184473	169961	724758	673135	751731
	(c) Retail Banking	112558	106626	88708	412753	374857	417670
	(d) Other Banking Operations	1525	3521	6783	14186	20662	13054
	<b>Total</b>	<b>356055</b>	<b>322343</b>	<b>315071</b>	<b>1281935</b>	<b>1189577</b>	<b>1330961</b>
<b>3</b>	<b>Unallocated Expenditure</b>	38712	52105	29900	143490	98840	144294
<b>4</b>	<b>Operating Profit</b>	<b>317343</b>	<b>270238</b>	<b>285171</b>	<b>1138445</b>	<b>1090737</b>	<b>1186667</b>
<b>5</b>	<b>Profit before Tax</b>	<b>103474</b>	<b>111234</b>	<b>137401</b>	<b>469051</b>	<b>652176</b>	<b>505191</b>
<b>6</b>	<b>Provision for Tax</b>	22839	35693	24321	134794	177409	143484
<b>7</b>	<b>Extraordinary items</b>		0	0	0	0	0
<b>8</b>	<b>Share of Earning in Associates(Net)</b>					13929	9236
<b>9</b>	<b>Minority Interest</b>					5683	6539
<b>10</b>	<b>Net profit</b>	<b>80635</b>	<b>75541</b>	<b>113080</b>	<b>334257</b>	<b>474767</b>	<b>361707</b>
<b>11</b>	<b>Segment Assets</b>						
	(a) Treasury Operations	14738938	14690791	13614511	14738938	13614511	15563258
	(b) Corporate/Wholesale Banking	27042005	25017570	23375336	27042005	23375336	28995399
	(c) Retail Banking	11680455	10951780	10111671	11680455	10111671	11326463
	(d) Other Banking Operations	1207539	1172926	456162	1207539	456162	1223873
	(e) Unallocated	373055	358687	337093	373055	337093	373055
	<b>Total</b>	<b>55041992</b>	<b>52191754</b>	<b>47894773</b>	<b>55041992</b>	<b>47894773</b>	<b>57482048</b>
<b>12</b>	<b>Segment Liabilities</b>						
	(a) Treasury Operations	13871663	13778978	12743438	13871663	12743438	14427208
	(b) Corporate/Wholesale Banking	25450787	23464804	21880206	25450787	21880206	26564675
	(c) Retail Banking	10993149	10272035	9464715	10993149	9464715	11539865
	(d) Other Banking Operations	1136485	1100126	426976	1136485	426976	1140602
	(e) Unallocated	376	42438	111748	376	111748	376
	<b>Total</b>	<b>51452460</b>	<b>48658381</b>	<b>44627083</b>	<b>51452460</b>	<b>44627083</b>	<b>53672726</b>
<b>13</b>	<b>Capital Employed</b>						
	(a) Treasury Operations	867275	911813	871073	867275	871073	1136050
	(b) Corporate/Wholesale Banking	1591218	1552766	1495130	1591218	1495130	2430724
	(c) Retail Banking	687306	679745	646956	687306	646956	-213402
	(d) Other Banking Operations	71054	72800	29186	71054	29186	83271
	(e) Unallocated	372679	316249	225345	372679	225345	372679
	<b>Total Capital Employed</b>	<b>3589532</b>	<b>3533373</b>	<b>3267690</b>	<b>3589532</b>	<b>3267690</b>	<b>3809322</b>

**PART B - GEOGRAPHIC SEGMENTS**

Sr. No.	Particulars	Quarter Ended		Year Ended		Year Ended	
		Standalone		Standalone		Consolidated	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013	31.03.2014
		Audited	Reviewed	Audited	Audited	Audited	Audited
<b>1</b>	<b>Revenue</b>						
	(a) Domestic	1196799	1152157	1108983	4682517	4520754	4809872
	(b) International	53024	40073	46301	97479	90171	156971
	<b>Total</b>	<b>1249823</b>	<b>1192230</b>	<b>1155284</b>	<b>4779996</b>	<b>4610925</b>	<b>4966843</b>
<b>2</b>	<b>Assets</b>						
	(a) Domestic	48594534	51672151	43767324	48594534	43767324	49750567
	(b) International	6447458	519603	4127449	6447458	4127449	7731481
	<b>Total</b>	<b>55041992</b>	<b>52191754</b>	<b>47894773</b>	<b>55041992</b>	<b>47894773</b>	<b>57482048</b>

**Notes :**

- 1 Segment Liabilities are distributed in the ratio of their respective Segment Assets.
- 2 Figures of the previous period have been re-grouped/re-classified wherever necessary to make them comparable.





## INDEPENDENT AUDITORS' REPORT

To  
The President of India

### Report On the Financial Statements

1. We have audited the accompanying financial statements of PUNJAB NATIONAL BANK as at 31<sup>st</sup> March, 2014, which comprise the Balance Sheet as at March 31, 2014, and Profit and Loss Account and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns of 20 branches audited by us and 2550 branches audited by branch auditors (including 1 off shore banking unit and 42 other offices) and 4 foreign branches audited by local auditors. The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also incorporated in the Balance Sheet and the Profit and Loss Account are the returns from 3883 branches which have not been subjected to audit. These unaudited branches account for 9.46 per cent of advances, 31.22 per cent of deposits, 8.40 per cent of interest income and 29.05 per cent of interest expenses.

### Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements in accordance with the provisions of Section 29 of the Banking Regulation Act 1949 and to disclose the information as may be necessary to conform to form 'A & B' respectively of the Third Schedule to the Banking Regulation Act, 1949. These financial statements comply with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. An audit also includes





evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Emphasis of Matter

6. In accordance with the Standard on Audit [SA] 706 "Emphasis of Matter Paragraph", without qualifying our opinion, we draw attention to:

(i) Note No.15 in schedule 18 to the financial statements, which describes deferment of pension and gratuity liability of the bank to the extent of Rs. 664.73 Crores pursuant to the exemption granted by the Reserve Bank of India to the public sector banks from application of the provisions of Accounting Standard (AS) 15, Employee Benefits vide its circular no. DBOD. BP. BC/80/21.04.018/2010-11 on Re-opening of Pension Option to Employees of Public Sector Banks and Enhancement in Gratuity Limits-Prudential Regulatory Treatment.

(ii) Note No.20 in schedule 18 to the financial statements, which describes pursuant to the Reserve Bank of India Notification DBOD.BP.BC.77/21.04.018/2013-14 dated 20.12.2013 Deferred Tax Liability of Rs.231.52 crore for the Special Reserve created under section 36 (1) (viii) of the Income Tax Act 1961 up to 31.03.2013, not previously charged to Profit & Loss Account, has now been adjusted directly from the Revenue Reserve.

#### Opinion





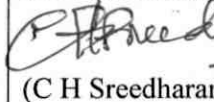

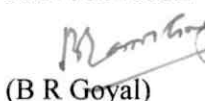

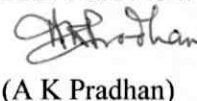

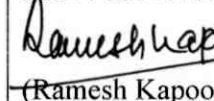

7. In our opinion, as shown by books of bank, and to the best of our information and according to the explanations given to us:

- (i) the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of state of affairs of the Bank as at 31<sup>st</sup> March 2014 in conformity with accounting principles generally accepted in India;
- (ii) the Profit and Loss Account, read with the notes thereon shows a true balance of profit, in conformity with accounting principles generally accepted in India, for the year covered by the account; and
- (iii) the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.



## Report on Other Legal and Regulatory Requirements

8. The Balance Sheet and the Profit and Loss Account have been drawn up in Forms "A" and "B" respectively of the Third Schedule to the Banking Regulation Act, 1949.
9. Subject to the limitations of the audit indicated in paragraph 1 to 5 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, and subject also to the limitations of disclosure required therein, we report that:
- We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory.
  - The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
  - The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
10. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable accounting standards read in conjunction with the Para on Emphasis of Matter.

<p>For G S Madhava Rao &amp; Co Chartered Accountants FRN : 001907S</p>   <p>(G Manikya Prasad) Partner (M.No. 020105)</p>	<p>For Borkar &amp; Muzumdar Chartered Accountants FRN : 101569 W</p>   <p>(Devang Vaghani) Partner (M.No. 109386)</p>	<p>For Phillipos &amp; Co Chartered Accountants FRN : 002650S</p>   <p>(C H Sreedharan) Partner (M.No. 006281)</p>
<p>For K N Gutgutia &amp; Co Chartered Accountants FRN : 304153E</p>   <p>(B R Goyal) Partner (M.No. 012172)</p>	<p>For CVK &amp; Associates Chartered Accountants FRN : 101745W</p>   <p>(A K Pradhan) Partner (M.No. 032156)</p>	<p>For Ramesh Kapoor &amp; Co Chartered Accountants FRN : 001477N</p>   <p>(Ramesh Kapoor) Partner (M.No. 080725)</p>

Date: 13<sup>th</sup> May 2014

Place: New Delhi