

LIMITED REVIEW REPORT

To
The Board of Directors
Indian Bank
Chennai.

1. We have reviewed the accompanying statement of unaudited financial results of Indian Bank for the quarter ended June 30, 2008. The financial results are the responsibility of the Bank's Management and have been approved by the Board of Directors.
2. The financial results incorporate the relevant returns of 20 branches reviewed by us, 237 branches including 1 foreign branch reviewed by other auditors specifically appointed for this purpose and 2 branches reviewed by internal auditors of the Bank and unreviewed returns in respect of 1296 branches. In the conduct of our Review, we have relied on the review reports in respect of non-performing assets received from concurrent auditors of 236 branches, internal auditors of 2 branches and other firms of auditors of a foreign branch specially appointed for this purpose. These review reports cover 64.30 percent of the advances portfolio of the Bank. Apart from these review reports, in the conduct of our review, we have also relied upon various returns received from the branches of the Bank.
3. A review of interim financial results consists principally of applying analytical procedures for financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.
4. Based on our review conducted as above, nothing has come to our notice that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For J.P., KAPUR AND UBERAI
Chartered Accountants

Deepak Menon
Partner
(M. No. 84225)

For R SUBRAMANIAN AND COMPANY
Chartered Accountants

R. Prakash
Partner
(M. No. 205869)

For R GOPAL & ASSOCIATES
Chartered Accountants

R. P. Agarwal
Partner
(M. No. 051979)

For GRANDHY & CO.,
Chartered Accountants

M. Rukmani Devi
Partner
(M. No. 203499)

For P L MITTAL & CO.,
Chartered Accountants

P. L. Mittal
Partner
(M. No. 14278)

For VISWANATHAN & SWAMINATHAN
Chartered Accountants

S. Sundara Raman
Partner
(M. No. 22137)

Place : Chennai
Date : July 19, 2008

NOTES FORMING PART OF THE LIMITED REVIEW

1. As stipulated by the Reserve Bank of India, the financial results for the quarter ended June 30, 2008 have been subjected to limited review by the Statutory Central Auditors of the Bank.
2. The statement of quarterly results has been prepared following the same accounting policies as those followed in the annual financial statements for the year ended March 31, 2008.
3. The above financial results have been approved by the Board of Directors at the Board Meeting held on July 19, 2008.
4. The working results for the quarter ended June 30, 2008 have been arrived at after considering provision for NPAs, Non-Performing Investments, Standard Assets and depreciation on investments as per Reserve Bank of India guidelines. Provision for Income Tax, Fringe Benefit Tax and Depreciation on Fixed Assets, and other usual and necessary provisions have been made on an estimated and proportionate basis and are subject to adjustment, if any at the year end.
5. Provision has been made for employee benefits viz., pension, gratuity, leave encashment, etc., on proportionate and estimated basis in accordance with the Revised Accounting Standard (AS) – 15. A sum of Rs.23 crore has been charged to Profit & Loss Account towards transitional liability on proportionate basis for the quarter ended June 30, 2008 in compliance with the Revised AS -15 on Employee Benefits notified by the Institute of Chartered Accountants of India. The balance of unrecognized transitional liability as per Revised AS – 15 is Rs.345 crore.
6. Government of India has notified Relief Scheme Viz., “Agricultural Debt Waiver and Debt Relief Scheme, 2008” for giving debt waiver to marginal and small farmers and to other farmers who have availed direct agricultural loans. The agricultural debt waiver given to the eligible farmers as per the Scheme has been given effect to in the accounts for the quarter. The amounts are subject to certification of claim by the auditors.
7. Corresponding period / quarter ended figures have been regrouped / reclassified, wherever necessary.
8. The number of investors’ complaints received and disposed off during the period from April 01, 2008 to June 30, 2008:

a) Pending at the beginning of the quarter	-	0
b) Received during the quarter	-	2
c) Disposed off during the quarter	-	2
d) Pending at the end of the quarter	-	0

Place : Chennai
Date : July 19, 2008

A Subramanian
Executive Director

M S Sundara Rajan
Chairman & Managing Director