

**FINANCIAL RESULTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2006**

(Rs.Crore)

	Particulars	Quarter ended Sep 30, 2006	Quarter ended Sep 30, 2005	Half Year ended Sep 30, 2006	Half Year ended Sep 30, 2005	Year ended March 31, 2006
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
1	Interest Earned (a)+(b)+(c)+(d)	1448.63	1223.27	2833.67	2555.12	5380.72
(a)	Interest / Discount on Advances/ Bills	1197.96	979.86	2328.15	2042.06	4407.07
(b)	Income on Investments	237.67	213.32	462.65	439.47	845.37
(c)	Income on Balances with RBI & Other Inter Bank Funds	9.61	28.32	24.05	70.37	120.66
(d)	Others	3.39	1.77	18.83	3.22	7.62
2	Other Income	192.61	344.90	475.94	613.73	1280.45
A.	Total Income (1+2)	1641.24	1568.17	3309.61	3168.85	6661.17
3	Interest Expended	1313.72	1268.21	2600.30	2509.41	5000.82
4	Operating Expenses (e)+(f)	194.35	175.19	384.26	376.27	859.48
(e)	Payment to & Provisions for Employees	73.74	53.50	132.42	111.70	318.51
(f)	Other operating Expenses	120.61	121.69	251.84	264.57	540.97
B.	Total Expenditure (3)+(4) (Excluding Provisions and Contingencies)	1508.07	1443.40	2984.56	2885.68	5860.30
C.	Operating Profit (A)-(B) (Profit before Provisions and Contingencies)	133.17	124.77	325.05	283.17	800.87
D.	Other Provisions and Contingencies (net)	(16.43)	(2.45)	12.76	46.12	212.52
	- of which provision for Non-Performing Assets	(21.42)	8.04	2.76	17.51	176.92
E.	Provision for Taxes	10.20	(4.62)	22.32	(3.30)	27.46
F.	Net Profit (C-D-E)	139.40	131.84	289.97	240.35	560.89
5	Paid-up equity share capital	724.08	723.04	724.08	723.04	723.79
6	Reserves excluding revaluation reserves	-	-	-	-	5610.96
7	Analytical Ratios					
(i)	Percentage of shares held by Govt. of India	52.73	52.80	52.73	52.80	52.75
(ii)	Capital Adequacy Ratio	14.66	16.30	14.66	16.30	14.80
(iii)	Earnings Per Share for the period (in Rupees) – not annualized					
	-Basic	1.93	1.82	4.00	3.33	7.76
	-Diluted	1.92	1.82	4.00	3.32	7.74
(iv)	(a) Amount of gross non-performing assets	1332.17	2228.06	1332.17	2228.06	1115.52
	(b) Amount of net non-performing assets	735.94	614.93	735.94	614.93	563.12
	(c) % of gross NPAs	2.31	4.36	2.31	4.36	2.00
	(d) % of net NPAs	1.29	1.24	1.29	1.24	1.01
(v)	Return on assets (annualised)	0.62	0.64	0.65	0.59	0.66
8	Aggregate of non-promoter shareholding					
	-Number of shares	342301766	341262955	342301766	341262955	342016603
	-Percentage of shareholding	47.27	47.20	47.27	47.20	47.25

Notes:

(i) The above results have been taken on record by the Board of Directors of the Industrial Development Bank of India Ltd. (the Bank) at its meeting held at Mumbai on October 19, 2006 and subjected to "Limited Review" by the Statutory Auditors.

(ii) The above working results have been arrived at after considering annualised provisions for bad and doubtful debts on pro-rata basis and other usual and necessary provisions (including income tax) on an estimated basis, keeping in view the record of recovery, policies and practices consistently followed by the bank and other relevant factors.

(iii) Provision for taxes includes provision for Fringe Benefit Tax of Rs.0.70 Crores for the quarter ended September 30, 2006 and Rs.1.32 Crores for the half year ended September 30, 2006. Adjustment for Deferred Tax Assets arising on incremental provisions in respect of Non Performing Assets shall be made at the year end.

(iv) 'Other Income' includes gains from securities' transactions, commission earned from guarantees/letters of credit, fees earned from providing services to customers etc. Profits from investments of Rs.48.00 Crores earned by the Bank during quarter ended June 2006, on buy back of its shares by IDBI Capital Market Services Ltd. (ICMS), a wholly owned subsidiary, is included in 'Other Income'.

(v) There were no investor grievances pending as on July 1, 2006. During the quarter, the bank received 12,224 investor grievances which were fully redressed and no grievances are pending for resolution at the end of the quarter.

(vi) The effects of revised Accounting Standard - 15 on 'Employee Benefits' (which has come into effect from 1st April 2006) will be accounted on receipt of necessary clarifications from concerned authorities.

(vii) The United Western Bank Limited has been amalgamated with the Bank w.e.f. October 3, 2006 as per amalgamation scheme notified by Government of India. The above results of the Bank do not include the financial results of the United Western Bank Ltd.

(viii) Previous period figures have been regrouped, wherever necessary to make them comparable.

SEGMENT INFORMATION

(Rs. Crore)

Sr. No.	Particulars	Quarter Ended Sept 30, 2006	Quarter Ended Sept 30, 2005	Half year Ended Sept 30, 2006	Half year Ended Sept 30, 2005	Year Ended March 31, 2006
1	SEGMENT REVENUE					
	Wholesale banking	1343.42	1418.66	2729.64	2885.99	6090.57
	Retail	463.51	311.05	895.47	586.01	1293.97
	Treasury	650.59	324.60	1181.79	588.10	1291.02
	Total	2457.52	2054.31	4806.90	4060.10	8675.56
	Less: - Inter-segment revenue	816.28	486.14	1497.29	891.25	2014.39
	Net income from operations	1641.24	1568.17	3309.61	3168.85	6661.17
2	SEGMENT RESULTS –PROFIT/(LOSS) BEFORE TAX					
	Wholesale banking	50.80	83.04	131.11	174.51	427.95
	Retail	51.00	25.17	113.96	42.50	139.59
	Treasury	47.80	19.01	67.22	20.04	20.81
	Total	149.60	127.22	312.29	237.05	588.35
	Less: Other unallocable expenditure net of unallocable income	0	0	0	0	0
	Total profit before tax	149.60	127.22	312.29	237.05	588.35
	Less: Income taxes	10.20	(4.62)	22.32	(3.30)	27.46
	Net profit	139.40	131.84	289.97	240.35	560.89
3	CAPITAL EMPLOYED (SEGMENT ASSETS - SEGMENT LIABILITIES)					
	Wholesale banking	4282.67	3628.31	4282.67	3628.31	3685.95
	Retail	349.81	634.52	349.81	634.52	626.30
	Treasury	175.83	98.95	175.83	98.95	21.57
	Unallocated	1817.83	1776.23	1817.83	1776.23	2000.94
	Total	6626.13	6138.01	6626.13	6138.01	6334.76

Notes on Segment Information

(1) The reportable primary segments have been identified in accordance with the Accounting Standard on Segment Reporting (AS-17) issued by the Institute of Chartered Accountants of India (ICAI).

(2) The Bank has disclosed business segment as the Primary Segment. Segments have been identified taking into account the nature of business, the differing risks and returns, the organization structure and the internal reporting system.

(3) The segments have been identified into wholesale banking, retail banking and treasury. Segment revenue, segment results, segment assets and liabilities includes the

respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis as estimated by the management. Assets and Liabilities that cannot be allocated between the segments are shown as part of unallocated assets and liabilities respectively.

(4) The bank caters mainly to the needs of the domestic markets as such there are no reportable geographical segments.

(5) Bonds and Debentures in the nature of Advance are considered in wholesale banking segment.

(6) Previous period figures have been regrouped, wherever necessary to make them comparable.

By order of the Board

Sd/-

Mumbai
October 19, 2006

(V. P. Shetty)
Chairman & Managing Director