

**REPORT ON FINANCIAL RESULTS**  
**FOR THE QUARTER ENDED 30<sup>th</sup> JUNE 2006**

Rs in lacs

		Quarter ended		Year ended
		30.06.06 Reviewed	30.06.05 Reviewed	31.03.06 Audited
1	Interest earned (a+b+c+d)	47740	43986	176013
	(a) Interest / discount on advances / bills	29659	23786	98485
	(b) Income on investment	16362	19512	71409
	(c) Interest on balances with Reserve Bank of India and other Inter Bank funds	1012	685	3687
	(d) Others	707	3	2432
2	Other income	6947	7772	45899
A	<b>Total income (1+2)</b>	<b>54687</b>	<b>51758</b>	<b>221912</b>
3	Interest expended	28004	25081	103746
4	Operating expenses (e+f)	14965	14270	56134
	(e) Payments to and provisions for employees	9824	9363	35425
	(f) Other operating expenses	5141	4907	20709
B	<b>Total expenditure (3+4)</b> (Excluding provisions and contingencies)	<b>42969</b>	<b>39351</b>	<b>159880</b>
C	<b>Operating Profit (A - B)</b> ( Profit before provisions and contingencies)	<b>11718</b>	<b>12407</b>	<b>62032</b>
D	Provisions and contingencies	9738	32342	57062
	- of which provisions for NPAs	4366	9494	23692
E	Provisions for Taxes incl. DTA / FBT	131	(-) 1005	-2329
F	<b>Net Profit (C - D - E)</b>	<b>1849</b>	<b>(-)18930</b>	<b>7299</b>
5	Paid up equity share capital	28682	28682	28682
6	Reserve excluding Revaluation Reserve (as per Balance Sheet of previous accounting year)			77874
<b>Analytical Ratios</b>				
i	Percentage of shares held by Govt. of India	51.19	51.19	51.19
ii	Capital Adequacy Ratio %	10.46	9.52	10.62
iii	Earning per share (Basic & diluted) Not Annualised - Rs.	0.64	-6.60	2.54
iv	(a) Amount of gross Non Performing Assets	97491	114930	94940
	(b) Amount of Net Non Performing Assets	47637	53115	43285
	(c) % of gross NPAs to gross advances	6.42	9.70	6.44
	(d) % of Net NPAs to Net advances	3.25	4.73	3.04
v	Return on Assets (Annualised) %	0.28	-ve	0.29
<b>Aggregate of non promoter share holding</b>				
i	Number of shares	140003200	140003200	140003200
ii	% of share holding	48.81	48.81	48.81

: 2 :

**SEGMENT WISE RESULTS**

(Rs in crores)

	Quarter ended		Year ended
	30.06.06 Reviewed	30.06.05 Reviewed	31.03.06 Audited
<b>REVENUE</b>			
i) Treasury Operations	57.61	101.40	366.98
ii) Other Banking Operations	482.21	416.20	1771.73
Total	539.82	517.60	2138.71
<b>RESULT</b>			
i) Treasury Operations	2.18	-23.24	-121.74
ii) Other Banking Operations	12.06	-173.96	101.02
Total	14.24	-197.20	-20.72
Unallocated Revenue	7.04	0.02	80.41
Unallocated Expenses	1.49	2.13	9.99
Operating Profit (Net Profit before Tax)	19.79	-199.31	49.70
Extra ordinary Income / Loss	0.01	-0.04	0
Income tax (including DTA / FBT)	1.31	-10.05	-23.29
Net Profit	18.49	-189.30	72.99
<b>ASSETS</b>			
i) Treasury Operations	2692.95	3834.99	2837.50
ii) Other Banking Operations	23958.96	19726.25	23336.62
iii) Unallocated assets	363.28	648.96	371.21
Total assets	27015.19	24210.20	26545.33
<b>LIABILITIES</b>			
i) Treasury Operations	0.00	0.00	0.00
ii) Other Banking Operations	25658.47	23137.71	25206.06
iii) Unallocated liability	1356.72	1072.49	1339.27
Total Liabilities	27015.19	24210.20	26545.33

**Note :** The Bank has only one geographical segment i.e. Domestic.

**NOTES :**

1. Financial results have been prepared following generally the same Accounting Policies as those followed in preparation of financial statements for the year ended 31<sup>st</sup> March 2006.
2. The working results for the quarter ended 30.06.2006, have been arrived at after considering provision for NPAs & Standard Assets, terminal benefits to employees, diminution in the value of investments, income tax, deferred tax, fringe benefit tax and other contingencies etc.

3. Reconciliation of entries outstanding as on 30.06.2006 in Inter Bank/ Inter Branch and other accounts are in progress and in the opinion of the management, consequential impact thereof on revenue/assets/liabilities is not material.
4. The position of Investors complaints for the quarter ended 30.06.2006 is :  
Complaints pending at the beginning of quarter - Nil, received & disposed off during the quarter - 05 , pending at the end of quarter - NIL .
5. The Institute of Chartered Accountants of India has issued a revised Accounting Standard (AS-15) on employee benefits effective from 01.04.2006. Pending Reserve Bank of India guidelines, an additional provision of Rs. 4.00 crores has also been made in this respect on an estimated basis.
6. The above results have been taken on record by the Board of Directors on 22<sup>nd</sup> July, 2006.
7. The above results for the quarter ended 30<sup>th</sup> June 2006 have been reviewed by the Auditors of the Bank, as per the listing agreement with the stock exchanges.
8. Corresponding figures have been regrouped/ reclassified, wherever necessary, to make them comparable with current results.

**( U. S. Kohli )**  
Executive Director

**( P. L. Gairola )**  
Chairman & Managing Director

PLACE : MUMBAI

DATE : 22<sup>nd</sup> July, 2006