IDBI BANK

आईडीबीआई बैंक लिमिटेड, पंजीकृत कार्यालय: आईडीबीआई टॉवर, डब्ल्यूटीसी कॉम्प्लेक्स, कफ परेड, मुंबई–400 005. **वेबसाइट: www.idbi.com**

IDBI Bank Limited, Regd. Office: IDBI Tower, WTC Complex, Cuffe Parade, Mumbai-400005. **Website: www.idbi.com**

वार्षिक • रिपोर्ट • 2007-08 • ANNUAL • REPORT

IDBI BANK

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ANNUAL • REPORT

IDBI BANK

निरंतर प्रगति के पथ पर WE ARE GROWING

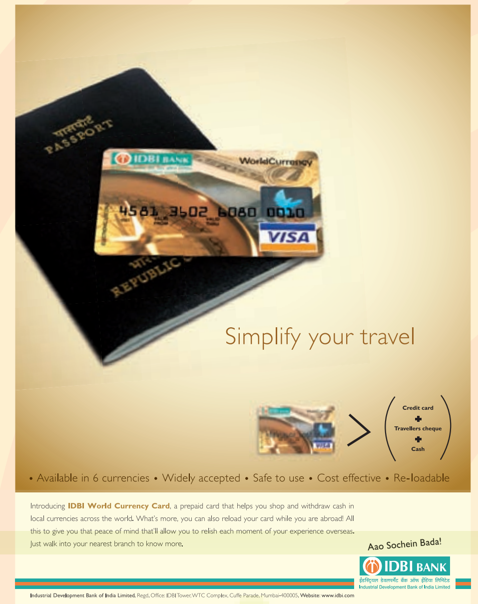
25 मई 2008 कराइकुड़ी, जिला शिवगंगा, तमिलनाडु में बैंक की 500 वीं शाखा का शुभारंभ करते हुए माननीय केंद्रीय वित्त मंत्री श्री पी. चिदंबरम उनके दाहिनी ओर हैं आईडीबीआई बैंक के अध्यक्ष एवं प्रबंध निदेशक श्री योगेश अग्रवाल.

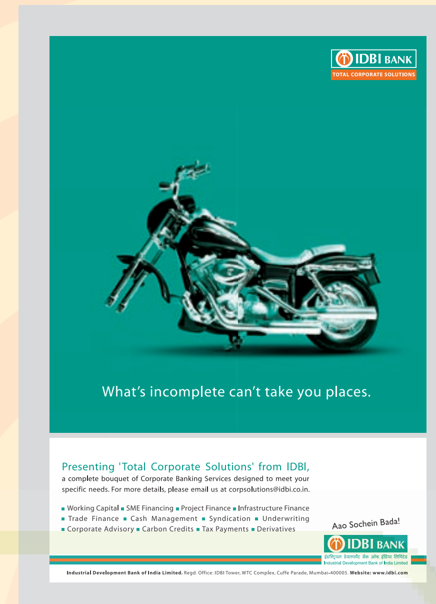
Shri P. Chidambaram, Hon'ble Union Finance Minister inaugurating the 500th Branch of the Bank at Karaikudi, Dist. Sivaganga, Tamil Nadu on May 25, 2008. To his right is Shri Yogesh Agarwal, CMD, IDBI Bank.

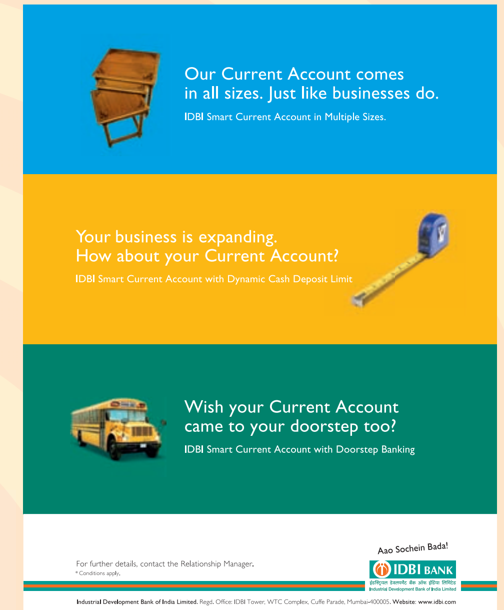
माननीय केंद्रीय वित्त मंत्री श्री पी. चिदंबरम 25 मई 2008 को कराइकुड़ी तमिलनाडु में बैंक की शाखा का उद्घाटन करने के बाद इस शाखा के प्रथम ग्राहक बने.

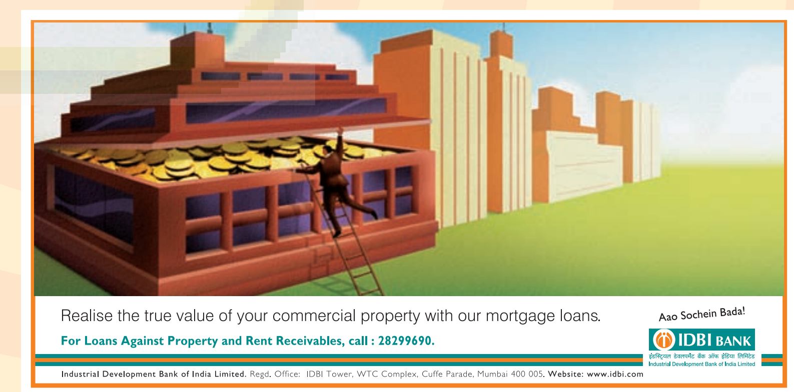
Shri P. Chidambaram, Hon'ble Union Finance Minister became the first customer of the Bank Branch at Karaikudi, Tamil Nadu on May 25, 2008, immediately after inaugurating the Branch.

हमारे कुछ प्रचार साधन SOME OF OUR COMMUNICATIONS









निदेशक मंडल BOARD OF DIRECTORS

श्री योगेश अग्रवाल
Shri Yogesh Agarwal

श्री ओ. वी. बुन्देलू
Shri O. V. Bundellu

श्री जितेंदर बालकृष्णन
Shri Jitender Balakrishnan

श्री अजय शंकर
Shri Ajay Shankar

श्री अरुण रामनाथन
Shri Arun Ramanathan

श्री अनलजीत सिंह
Shri Analjit Singh

श्रीमती लीला फिरोज पूनावाला
Smt. Lila Firoz Poonawalla

श्री के. नरसिम्ह मूर्ति
Shri K. Narasimha Murthy

श्री आर. वी. गुप्ता
Shri R. V. Gupta

श्री एच. एल. जुत्शी
Shri H. L. Zutshi

श्री ए. शक्तिवेल
Shri A. Sakthivel

श्री योगेश अग्रवाल
अध्यक्ष एवं प्रबंध निदेशक

Shri Yogesh Agarwal
Chairman & Managing Director

अध्यक्ष एवं प्रबंध निदेशक की कलम से

प्रिय शेयरधारको,

मुझे आईडीबीआई बैंक की वित्तीय वर्ष 2007-08 की वार्षिक रिपोर्ट और लेखे आपके समक्ष प्रस्तुत करते हुए प्रसन्नता है. इस रिपोर्ट में वर्ष के दौरान आपके बैंक द्वारा उठाये गये बड़े कदमों के बारे में विस्तृत जानकारी दी गई है और इसमें उस उज्ज्वल भविष्य की झलक भी दिखाई देती है जिसकी हम सभी को प्रतीक्षा है.

वित्तीय वर्ष 2009 में हमारी अर्थव्यवस्था की अनुमानित विकास दर थोड़ी कम होने के बावजूद, हमें आशा है कि बैंक के कारोबार के विकास की गति बढ़ेगी. हमारा यह विश्वास इस तथ्य पर आधारित है कि हमने आपके बैंक के कारोबार को लगभग छह बड़े कारोबारी वर्टिकलों में पुनर्गठित किया है. तीव्र विकास के लक्ष्य को हासिल करने के लिए प्रत्येक वर्टिकल अलग ग्राहक खंड पर अपना ध्यान केन्द्रित करेगा. अब प्रत्येक कारोबारी वर्टिकल का फोकस विशिष्ट ग्राहक खंड, तीन कॉरपोरेट क्षेत्र और तीन रिटेल क्षेत्र, पर है.

कॉरपोरेट बैंकिंग समूह का तीन वर्टिकलों – इंफ्रास्ट्रक्चर कॉरपोरेट समूह (आईसीजी), बृहत् कॉरपोरेट समूह (एलसीजी) तथा मध्यम कॉरपोरेट समूह (एमसीजी) में पुनर्गठन किया गया है. सभी तीनों कॉरपोरेट बैंकिंग वर्टिकलों में बैंक नये ग्राहक जोड़कर तथा योजनाओं एवं सेवाओं से फीस आय पर विशेष बल देकर मौजूदा संपर्कों को सुदृढ़ बनाने की विकास की दोहरी रणनीति अपनायेगा. रिटेल बैंकिंग समूह में वैयक्तिक बैंकिंग खंड व्यक्तियों की निजी बैंकिंग जरूरतों पर विशेष ध्यान देगा, जिसमें उत्पादकता में सुधार और तेजी से नेटवर्क बनाने पर बल दिया जायेगा. रिटेल बैंकिंग समूह के भीतर एसएमई नया वर्टिकल है, इसको बनाने का उद्देश्य यह सुनिश्चित करना है कि आपका बैंक उच्च विकास वाले इस खंड से उत्पन्न अवसरों का पूरा लाभ उठा सके. इसी प्रकार, कृषि कारोबार समूह का अलग वर्टिकल बनाया गया है ताकि एक ओर उभरते कारोबारी अवसरों से आपके बैंक की लाभप्रदता बढ़ाने में सहायता मिले, वहीं दूसरी ओर यह प्राथमिकता प्राप्त क्षेत्र को ऋण देने की अपनी जिम्मेदारी पूरी कर सके.

इसके साथ ही, आंतरिक प्रणालियों और प्रक्रियाओं को कारगर बनाया गया है ताकि ये ग्राहक इंटरफेस के लिए बदले हुए ढाँचे के अनुरूप हो सकें. यह पुनर्संरचना अगले कुछ वर्षों में आस्ति आकार और बाजार पूंजीकरण के आधार पर 'शीर्ष 5' बैंकों में शामिल होने की हमारी आकांक्षा को ध्यान में रखते हुए की गई है. इस आकांक्षा को हमारे आधुनिकतम प्रौद्योगिकी प्लेटफॉर्म और कुशल एवं समर्पित कार्यदल का समर्थन है जो अनेक प्रकार की योजनाएं एवं सेवाएं दक्षतापूर्वक प्रदान करने में सक्षम है. इसके अलावा, अपनी आकांक्षा को साकार करने के लिए आपका बैंक सोच-समझकर यूनिवर्सल बैंकिंग मॉडल अपनाने, अधिग्रहण के साथ तेजी से ऑर्गेनिक विकास जारी रखने और प्रतिस्पर्धा के लिए विशिष्ट शक्तियों को बढ़ाने का निर्णय लिया है. इस दिशा में मुझे आपको यह बताते हुए खुशी है कि हमारे दो नये उद्यम यथा-आईडीबीआई गिल्ट्स और आईडीबीआई फोर्टिस लाइफ इंश्योरेंस कंपनी ने वर्ष के दौरान परिचालन आरंभ कर दिये हैं जो यूनिवर्सल बैंकिंग समूह के रूप में हमारी स्थिति को और मजबूत करेंगे. हम यह मानते हैं कि पुनर्गठन का जो कार्य हमने गत वर्ष शुरू किया है, उसके परिणाम, लाभप्रदता और कारोबार विकास के रूप में चालू वर्ष से मिलने लगेंगे.

इन सभी कार्यों का स्पष्ट उद्देश्य सभी अंशधारियों के धारिता मूल्य को बढ़ाना है. हमारे लिए आप सभी प्रगति में हमारे भागीदार हैं. हमें आशा है कि भारतीय बैंकिंग जगत में हमारे बैंक की स्थिति को और मजबूत करने के लिए आपका सतत सहयोग मिलता रहेगा.

हार्दिक शुभकामनाओं सहित,

योगेश अग्रवाल

योगेश अग्रवाल
अध्यक्ष एवं प्रबंध निदेशक

26 अप्रैल 2008

From the CMD's Desk

Dear Shareholders,

I am happy to present to you the Annual Report and Accounts of IDBI Bank for the Financial Year 2007-08. The Report gives you detailed information about the strides your Bank has made during the year and also glimpses of the bright future that awaits all of us.

Notwithstanding the fact that our economy is projected to have a marginally lower growth rate in FY09, we expect to step up the pace of business growth for the Bank. Our confidence stems from the fact that we have reorganised your Bank's businesses around six major business verticals, each focusing on distinct customer segments for achieving accelerated growth. Now each business vertical is focused on a particular customer segment, three on the corporate side and three on the retail side.

The Corporate Banking Group has been reorganized into three verticals - Infrastructure Corporate Group (ICG), Large Corporate Group (LCG) and Mid-Corporate Group (MCG). Across the three Corporate Banking verticals, the Bank will follow a two-pronged strategy of growth through new customer acquisition and deepening of existing relationships with emphasis on fee income from products and services. Within the Retail Banking Group, the Personal Banking segment will focus on the personal banking needs of individuals, with emphasis on driving productivity improvements and rapidly building the network. SME is a new vertical within the Retail Banking Group that has been created to ensure that your Bank successfully taps into the opportunity provided by this high-growth segment. Similarly, Agri-Business Group has also been created as a separate vertical to help your Bank profitably capture this emerging business opportunity while at the same time meeting its priority sector lending obligations.

Simultaneously, the internal systems and processes have been fine tuned to align with the changed structure for customer interface. This restructuring has been undertaken in keeping with our aspiration to be among the 'Top 5' banks by asset size & market capitalization in the next few years. This aspiration is backed by our cutting-edge technology platform and the skilled and dedicated workforce to efficiently deliver a wide array of products and services. Further, with a view to fructifying its aspirations, your Bank has consciously decided to adopt a Universal Banking model, pursue aggressive organic growth supported by acquisitions and leverage distinctive strengths vis-a-vis competition. In this direction, I am happy to inform you that our two new ventures viz. IDBI Gilts and IDBI Fortis Life Insurance Co. have become operational during the year, which would strengthen our position as a Universal Banking Group. We feel that the task of re-organisation we undertook in the last year should start paying off in terms of profitability and business growth from the current year onwards.

All these actions are clearly aimed at enhancing all the stakeholder's value. To us you all are our partners in progress. We look forward to your continued support in strengthening our Bank's position in the Indian banking firmament.

With warm regards,

Yogesh Agarwal

Yogesh Agarwal
Chairman & Managing Director

April 26, 2008

आईडीबीआई बैंक ख़बरों में

IDBI Bank Q4 net surges 15% on higher interest income

Our Bureau
Mumbai, April 26

IDBI Bank reported a 15 per cent increase in net profit at Rs 245 crore for the fourth-quarter ended March 31, 2008, against Rs 214 crore in the corresponding quarter last year, due to higher interest income and fee income.

The bank's board has recommended a dividend of Rs 2 for the fiscal 2007-08.

As the bank opened 60 branches last year, its operating expenses went up, said Mr Yogesh Agarwal, Chairman and Managing Director, IDBI Bank.

The net interest margin (NIM) fell to 0.68 per cent (0.8 per cent), due to higher interest rates offered on deposits.

"We are struggling with NIM of less than one per cent. We can grow it only when we expand our retail branch network," Mr Agarwal said.

Cost of funds also increased to 8.72 per cent (7.24 per cent).

Net NPAs also increased marginally to 1.30 per cent (1.12 per cent), because of a few cases of slippages.

"One particular account in the last quarter was the cause for the NPA. It is approximately worth Rs 260 crore," said Mr Agarwal.

The bank's clients are facing a marked-to-market loss of Rs 173 crore in their currency transactions, as on March 31, 2008. But the bank has not made any provision as no corporate has defaulted, he added. IDBI Bank has 41 clients in currency derivatives and most of them are large corporates.

The bank also saw good income from sale of equity at Rs 1,168 crore as part of its other income in the fourth quarter.

For the just-ended fiscal, the share of CASA to total deposits was 16.56 per cent (25 per cent). This is because the deposit base increased by 68.38 per cent in FY 2007-08, Mr Agarwal said.

It is aiming to increase its low-cost CASA (current account saving account) to more than 20 per cent this fiscal.

OVERSEAS BRANCHES

The bank is planning overseas branches in Singapore, Dubai and Shanghai.

It will look at the small and medium enterprises segment as a thrust area, which will also help increase the share of current accounts, Mr Agarwal said.

On Friday, shares of IDBI Bank closed at Rs 103.9, up 1.76 per cent from its previous close of Rs 102.1, on the BSE.

Mr Yogesh Agarwal (left), CMD, IDBI Bank, with Mr J. Balakrishnan, Deputy Managing Director, at a press conference in Mumbai on Saturday. — Paul Noronha

IDBI lines up $1.5-b medium-term note programme

Our Bureau
MUMBAI

IDBI is in the process of establishing a $1.5 billion medium-term note programme. The bank is likely to kick off the programme after it gets the licence to launch its overseas operations. It joins other public and private sector banks like State Bank of India, Bank of India, Bank of Baroda, Canara Bank, ICICI Bank and Axis Bank.

IDBI CMD Yogesh Agarwal said, "With our new MTN Programme in place, we will now be able to issue various debt instruments in the international capital markets, including senior notes, upper tier-2 notes and hybrid tier-1 notes, under a single documentation platform. This will allow us to quickly take advantage of market opportunities where they arise, increasing our fund raising efficiency."

The bank is looking at making its international foray in the near future. Its is looking at opening branches in Singapore, Bahrain and UK. It is also looking at a representative office in Beijing. According to IDBI CFO RK Bansal, "This is an enabling provision. We may launch the MTN after we open our overseas branches."

Most of the other banks which have launched MTN programmes, had overseas branches. These branches normally borrow money for lending to their corporates than for bringing it back to India. An MTN programme is cost beneficial for the institution as there is no time limit for shelf registration. They can save money on the recurring expenses like legal expenses. The programme is like an umbrella prospectus which is filed in the Indian market.

आईडीबीआई का पहला 'एसएमई सेंटर' खुला

मुंबई. सार्वजनिक क्षेत्र के आईडीबीआई बैंक ने लघु एवं मझौले उद्यमियों के लिए अपना पहला एसएमई सेंटर शुरू कर दिया है. इसका उद्घाटन करते हुए आईडीबीआई के उप प्रबंध निदेशक ओ.वी. बुंदेलु. साथ में उपस्थित आईडीबीआई के एसएमई कार्पोरेट हेड टी.आर. बाजालिया, एसएमई सेंटर हेड ललिता शर्मा और अंचल प्रमुख एन.जे. माथुर. इस सेंटर का उद्देश्य लघु एवं मझौले उद्योग क्षेत्रों के ऋणों की मंजूरी प्रक्रिया में गति लाना है.

IDBI bags two Special IT Awards from IBA

Industrial Development Bank of India Limited (IDBI), one of India's leading public sector banks, has bagged two special awards, for "Best Payments Initiative" and "Outstanding Achiever of the Year" - Sanjay Sharma, Advisor-IT for the year 2007 from the Indian Banks' Association, in recognition of its customer-centric IT initiatives. IDBI had won IBA's "IT Team of the Year" Award in February 2006. In the previous year too, the Bank had walked away with four awards at IBA's Banking Technology Awards. The IBA Banking Technology Awards recognize and reward individuals, professionals and banks whose innovative ideas, initiatives, risk, leadership qualities and implementation of the various initiatives have kept their organizations ahead of competition. About 28 banks (Public sector, Private sector, Foreign and Co-operative banks) had sent in their nominations for various categories of the 'IBA & TFCI: Banking Technology Awards 2007'. Yogesh Agarwal, CMD, IDBI, said, "While the awards are a source of deep satisfaction and encouragement for our committed IT Team, they are truly a recognition of our larger corporate philosophy: translating innovative ideas into consumer-friendly technology and, of course, bringing a smile to our customers."

IDBI cuts home loan floater rates

Our Bureau
Mumbai, Oct. 15

IDBI offers a 'buy now, pay later' scheme for delayed EMI commencements

IDBI Ltd has cut the home loan floating interest rate by 50 basis points to 10.5 per cent for the festive season. The revised rates would be applicable on new loans between October 12 and December 31, 2007, said a release from the bank.

The bank has also decided to reduce the processing fee to Rs 1,000 during this period.

Some of the other banks that have reduced home loans for the festive season are State Bank of India, ICICI Bank, HDFC Ltd and Bank of Baroda.

IDBI had cut the fixed interest rate on home loans by 100 basis points in September. The fixed rates are 12.5 per cent for loans up to three years and 12.75 for loans up to five years.

IDBI has also launched 'buy now, pay later' scheme wherein buyers of properties under construction can choose to avail of a moratorium period of up to 18 months for payment of Equated Monthly Instalments (EMIs).

Under this scheme the recovery does not start until 18 months after the loan is disbursed, unlike in a normal loan when recovery starts immediately after the loan is disbursed, said a senior official from the bank.

However, under this scheme, the loan would cover about 80-85 per cent of the property amount, while normally it would cover 85-90 per cent of the amount, said the official.

Motilal Oswal, IDBI Bank team up for online trading facility

Our Bureau
Mumbai, Feb. 26

Motilal Oswal Securities Ltd and IDBI Bank on Tuesday announced that they were entering into a strategic alliance to provide online trading facility to the bank's customers.

IDBI customers now have the option of investing in equities, derivatives and IPOs using Motilal Oswal's online trading platform.

"Our customers can benefit from Motilal Oswal's technical platform for trading, its marketing aspects and the research reports which can be accessed by our clients," said Mr O.V. Bundellu, Deputy Managing Director, IDBI Bank.

On the trading front, Motilal Oswal will provide the bank's customers instant order/trade confirmation, single margin for equity/IPO/derivatives, "buy now sell tomorrow" and "after market hours" order placement facilities and margin benefit on hedged positions. E-broking is fast becoming an emerging trend in the equity broking business.

In a recent study by Dun & Bradstreet, it reported that 19,065 accounts were registered through e-broking at Motilal Oswal in 2007. Other broking firms too have registered similar figures stated the report.

Public sector banks seem to cashing in on this as more banks seem to be offering this service either through their own in-house platforms or by such tie ups.

Corporation Bank has tied up with IL&FS, Religare and Reliance Money; Asit C. Mehta has an arrangement with Union Bank while Bank of India has tied up with Anand Rathi.

IDBI Bank also has a similar tie-up with its subsidiary IDBI Caps.

This is the second such partnership that Motilal Oswal has got into; where last year it had tied up with SBI Bank.

The IDBI Chairman and Managing Director, Mr Yogesh Agarwal, said that they were expecting around 20,000 new accounts to be activated within the next year through this joint venture.

"We would be starting this service in 120 of our branches. As of now we are looking at just these branches due to connectivity and also as Motilal Oswal has their branches in these 120 sites.

"But this doesn't mean that customers of these branches can only avail themselves of the service, all our customers can access this service," he added.

Mr Motilal Oswal (right), Chairman and Managing Director, Motilal Oswal Financial Services Ltd, with Mr Yogesh Agarwal, Chairman and Managing Director, IDBI Ltd, and Mr O.V. Bundellu, Deputy Managing Director, IDBI Ltd, at a press conference to announce the IDBI tie-up with Motilal Oswal Securities for online trading in Mumbai on Tuesday. — Paul Noronha

IDBI launches new SB A/c

Mumbai: Public sector bank IDBI has introduced a new savings bank (SB) account Access Plus Super Savings account with zero other bank ATM charges for four free transactions a month like withdrawal or balance inquiry.

Among the unique features that IDBI SB account holders stand to enjoy include first year, free international ATM Cum Debit card, payable at par cheque book an official said.

To avail these benefits an account holder needs to maintain an average quarterly balance of Rs 5000 only. Besides branch banking, the bank for customers round the clock access to their account by providing access to their account on alternative channels like ATMs, phone banking, internet banking and mobile banking.A customer can also make all utility bill payments like electricity, landline phone, mobile phone, gas and insurance from the comfort of home via IDBI website or walk up to the nearest ATM or branch, IDBI added.

IDBI-Fortis JV gets Irda nod for first stage

CH PRASHANTH REDDY
Hyderabad, 2 September

The Insurance Regulatory and Development Authority (Irda) has accorded the first stage of clearance to IDBI-Fortis Life Insurance, a joint venture of Industrial Development Bank of India, Fortis Insurance International of the Netherlands and the Kerala-based Federal Bank.

"The final clearance is in an advanced stage of consideration," Irda chairman CS Rao told *Business Standard*.

The IDBI, along with Fortis and Federal Bank, has formed the life insurance joint venture to tap the growing market for life insurance products in India.

According to Rao, growing economy and burgeoning middle-class in the country offer wide potential for the insurance sector. In this context, he pointed out that insurance penetration as a percentage of GDP has increased from 2 to 4 over the last eight years.

On the criticism that the healthcare insurance, as it exists today, was making hospital treatment expensive, he said it was time for the insur-

IDBI Bank puts rate cut on hold

BS REPORTER
Mumbai, 29 March

The first adverse impact the rising inflation has become visible. Industrial Development Bank of India (IDBI) has deferred its earlier decision to cut benchmark prime lending rate (PLR) by 50 basis points.

The Mumbai-based public sector bank had declared on March 26 about its intention to cut PLR by 50 bps, from 13.25 per cent to 12.75 per cent from April 1. "Keeping in mind the rise in inflation and finance minister's statement to take all possible steps to contain price rise, we decided to put on hold our earlier decision to reduce PLR," IDBI Chairman and Managing Director Yogesh Agarwal said.

The revised date for implementing revision in key lending rate would be decided later, Agarwal said, adding the bank would monitor the market trend and the steps that the government took to arrest the spiralling prices.

Meanwhile, Kolkata-based Allahabad Bank, which was to cut PLR by 25 basis points to 13 per cent from April 1, said it would go ahead with the decision.

IDBI Bank to focus on agri, job creation

ENS ECONOMIC BUREAU

Cuttack, Sept 24: IDBI Bank has pledged to change its focus to priority sectors like agriculture, employment generation, small and medium industries assistance while expanding its network across Orissa.

It will soon implement financial inclusion initiatives in the state and may go for adoption of a village to start the process by the year-end, Deputy Managing Director O.V. Bundellu said here on Monday. Bundellu was here to inaugurate the second bank branch in the state at College Square here.

Bundellu said that IDBI Bank had devised special products to propel financial inclusion to successful levels in rural areas. "It has recently launched the 'Sabka account' savings scheme with benefits for individuals and also organisations such as self-help groups and NGOs working at the grassroots level", he said.

However, to reach out to rural masses, the bank, which until now had its only branch in Bhubaneswar, will have to increase its presence in the state. It intends to set up six more branches at Berhampur, Rourkela, Paradip, Dhamra, Duburi and Rengali along with on-site ATM facilities this year. Off-site ATMs would also be installed at different cities and the number is being worked out.

With increased presence, the bank will roll out new products in the form of agriculture support through farm mechanisation, SME financing and greater participation in PMRY scheme lending.

Besides, the bank will also focus on retail lending through personal, home and educational loans and other innovative products. It has launched a holiday travel loan. The bank is also in the process of setting up an exclusive retail asset centre and SME point in Bhubaneswar. Bundellu added.

IDBI Bank in the News

IDBI Bank launches international debit card

Available as a standard and a gold card

NABARD and IDBI Bank in Co-Financing

NABARD and IDBI Bank entered into a Memorandum of Understanding on 4th October 2007 for co-financing high value projects aimed at strengthening agri-supply-chain, investment in sunrise technologies, agri-processing, hi-tech agriculture and non-conventional energy projects. Both the institutions will combine skills for project identification and financing thereof. The Memorandum of Understanding was signed by S.C. Kaushik, CGM, Investment Credit Department, NABARD and D. K. Kamble, CGM, IDBI Bank Ltd. IDBI Bank Ltd. also executed a General Refinance Agreement with NABARD for refinance support for various agriculture and rural development projects

IDBI set to recover Rs 5K cr bad debt

Namrata Singh | TNN

Mumbai: Three years since Industrial Development Bank of India (IDBI) transferred its troubled assets to the Stressed Asset Stabilisation Fund (SASF), it has resolved more than half the cases and is in the process of recovering around Rs 5,000 crore of the total amount stuck in bad debts.

Of the 631 cases, 395 cases have been resolved, an official said. With this, the bank has already recovered around Rs 2,200 crore, while the balance of Rs 2,800 crore is in the process of being recovered.

The total amount of stressed assets transferred to SASF was around Rs 9,000 crore. SASF was created in 2004 as a special purpose vehicle to clean up the bank's balance sheet, prior to the merger of the erstwhile IDBI with IDBI Bank.

Even though IDBI has 20 years to recover Rs 9,000 crore from the stressed assets, the bank is expected to accomplish the task sooner than expected.

According to IDBI Bank executive director Siby Antony, it will take around five years more for the bank to recover the entire amount of Rs 9,000 crore.

Antony said that the main reason for the quick recovery of bad loans from beleaguered companies was economic uptrend, as a result of which investor interest has been significant in stressed assets, and the rise in real estate prices.

Of the total cases resolved, the amount recovered by the bank on nearly 40% of the cases is on account of liquidation of assets. On many counts investor interest in stressed assets has assisted in the recovery of dues by lenders. In about 12-13 cases, debt restructuring initiatives have helped promoters in paring their debts. These included the debt restructuring of ISMT, Pune-based seamless tubes manufacturer.

Most of the stressed assets were in sectors such as steel and textiles. Both these sectors have witnessed a downtrend in the past which led to loans taken by promoters turning into bad debts on the books of lenders.

Some of the cases which have been resolved include, Rs 250 crore from Mideast Integrated Steel Company, Orissa, and Rs 90 crore in Prakash Industries.

IDBI Bank plans carpet bombing of branches

"I think we are better placed than other banks because we are the only public sector bank which has the experience of two mergers. One with a well-doing private bank (IDBI Bank) and another with a failed one (United Western Bank)"

—Yogesh Agarwal, CMD, IDBI Bank

After Bollywood, IDBI eyes Hollywood funding

IDBI Bank hires McKinsey for phase-II growth

Gets over legacy issues, to focus on retail banking

Joel Rebello
Mumbai

After staving off its legacy issues, IDBI Bank is bracing up for its next growth phase.

To begin with, it has hired McKinsey & Company to fine-tune strategies.

"They (McKinsey) will help us remap branches, reengineer processes and refocus on our business," a senior official told *DNA Money*. The move came a few weeks ago.

McKinsey is working on a project-by-project basis with the bank and the contract has been kept open.

"We are on a growth path after dealing with our legacy issues of the last 7-8 years. We have built a strong foundation after our integration with IDBI and United Western Bank (UWB) is almost complete. We will now like to synergise the benefits," a senior official, who preferred not to be quoted, said.

IDBI Bank sources say the management consulting firm has already started work on the first project.

The bank has successfully wired and fully integrated UWB's 174 branches under its Finacle platform.

McKinsey will work with the bank to take the best advantage of the latter's resources like project finance expertise. IDBI Bank has more than 430 branches now. IDBI Bank had, in the past, some legacies of being a project funding institution. It has now systematically repositioned itself as a bank with interests in segments such as corporate banking, project financing and retail banking.

The legacies have weighed down on the bank so much that its net interest margin (NIM) is at an abysmal .74% (74 basis points), which is among the lowest in the industry.

IDBI Bank officials attribute the low margins to the non-performing assets worth Rs 9,000 crore parked under the stressed assets stabilisation fund.

Turn to Page 20

Another innings

McKinsey will work with IDBI Bank to take the best advantage of the latter's resources like project finance expertise

The bank plans to bring down its net interest margin to 1% by the end of this fiscal

Has charted out a recovery plan for dues worth Rs 5,500 crore

Fee income fuels IDBI profit 12%

BS REPORTER
Mumbai, 16 October

The Industrial Development Bank of India posted 12 per cent increase in net profit at Rs 156 crore in the quarter ended September 2007 as against Rs 139 crore in the corresponding period last year, thanks to a robust growth in non-interest income.

The total income rose by 44 per cent to Rs 2,364 crore from Rs 1,641 crore last year. The non-interest income more than doubled to Rs 463 crore from Rs 192 crore.

The credit-related fees and income from the sale of investment securities, including shares worth Rs 260 crore, gave a boost to the non-interest income (NII) in the second quarter, chief financial officer R K Bansal said.

The NII stood at Rs 145 crore as against Rs 135 crore a year ago. The net interest margin improved to 0.64 per cent at the end of the September quarter from 0.28 per cent in the previous quarter (ended June 2007).

The bank's business rose by 32 per cent to Rs 1,12,355 crore as of September 30, 2007, as against Rs 85,262 crore last year. The deposits were up by 61 per cent to Rs 50,002 crore and the advances increased by 15 per cent to Rs 62,353 crore from Rs 54,309 crore in the corresponding period.

"Though we see signs of credit pick-up on the corporate front, it does not look very robust. With a cut in home loan rates and onset of the festive season, we expect a growth in retail credit", Bansal said.

The bank's aggregate assets stood at Rs 1,08,640 crore as against Rs 90,235 crore and capital adequacy ratio stood at 14.10 per cent, with tier I capital at 8.95 per cent.

ON A HIGH

Performance in Q2 FY 08		
Total income	Rs 2,364 cr	44% ↑
Expenses	Rs 1,985 cr	32% ↑
Operating profit	Rs 379 cr	185% ↑
Net profit	Rs 156 cr	12% ↑
Business	Rs 1,12,355 cr	32% ↑
Deposits	Rs 50,002 cr	61% ↑
Advances	Rs 62,353 cr	15% ↑
Total assets	Rs 1,08,640 cr	20% ↑

% change y-o-y

IDBI Revises Interest Rates on Term deposits

Industrial Development Bank of India Limited (IDBI Ltd.), has revised the interest rates on its term deposits with effect from November 12, 2007. The rate of interest on 360 days deposits has been reduced by 75 bps to 8.75% p.a. and on 500/800 days, 5 years and tax savings deposits has been reduced by 50 bps to 9.00% p.a. The Bank has also revised interest rates for deposits of less than 360 days and more than 2 years to 3 years by 25-50 bps. For further details please visit IDBI website - www.idbi.com

Launch of Mobile Branch by IDBI

With a view to providing impetus for rural growth and financial inclusion IDBI launched a Mobile Branch, the first of its kind in Maharashtra, at Satara. Yogesh Agrawal, CMD, IDBI inaugurated the Mobile Branch on July 30, 2007 at its Karanje Branch in Satara. K D Hodavdekar, CGM, IDBI, and Sanjay Sharma, MD, IDBI Intech, were also present at the inaugural function. Initially, the Mobile Branch will provide banking services such as opening of accounts, cash deposits/withdrawals. Later, complete services will be offered to the rural population. The Mobile Branch will visit ten small villages/hamlets around Satara

आईडीबीआई बैंक लिमिटेड (पूर्ववर्ती इंडस्ट्रियल डेवलपमेंट बैंक ऑफ इंडिया लिमिटेड)
IDBI Bank Limited (Formerly Industrial Development Bank of India Limited)

वार्षिक रिपोर्ट Annual Report 2007-08

विषय सूची

CONTENTS

निदेशकों की रिपोर्ट : 2007-08

आपके बैंक ने अपना नाम इंडस्ट्रियल डेवलपमेंट बैंक ऑफ इंडिया लि. से बदलकर ''आईडीबीआई बैंक लिमिटेड" कर दिया है ताकि इसके द्वारा किया गया बैंकिंग कारोबार समुचित रूप से प्रतिबिंबित हो सके. नया नाम 7 मई 2008 से प्रभावी हो गया है, इसी तारीख को कंपनी रजिस्ट्रार (आरओसी), महाराष्ट्र ने निगमन का नया प्रमाणपत्र जारी किया था. इसके पूर्व आपके बैंक के शेयरधारक कंपनी अधिनियम, 1956 की धारा 21 के अन्तर्गत विशेष संकल्प पारित करते हुए डाक मतदान के द्वारा उक्त नाम परिवर्तन का अनुमोदन कर चुके हैं.

आपके बैंक के निदेशक मंडल को 31 मार्च 2008 को समाप्त वित्तीय वर्ष के आपके बैंक के कारोबार और परिचालनों पर अपनी रिपोर्ट प्रस्तुत करते हुए प्रसन्नता है. इस रिपोर्ट में प्रस्तुत वित्तीय जानकारी बैंककारी विनियमन अधिनियम, 1949 और उसके अधीन बनाये गये नियमों द्वारा निर्धारित प्ररूप एवं विषयवस्तु के अनुसार है.

समीक्षाधीन अवधि के दौरान आपके बैंक की वित्तीय विशेषताएं **तालिका** 1 में दी गई हैं.

अग्रिमों एवं निवेशों में हुई तीव्र वृद्धि के कारण मार्च 2008 के अंत में आपके बैंक की कुल आस्तियां 1,30,694 करोड़ रुपये के स्तर तक पहुंच गईं. इस वृद्धि को 2007-08 के दौरान कुल जमाराशियों में वृद्धि का पूरा समर्थन मिला, जो 68.4% की जबरदस्त वृद्धि के साथ 72,998 करोड़ रुपये हो गईं. आपके बैंक ने सतर्क प्रयासों के जरिये उधारराशियों पर अपनी निर्भरता कम की है जिसका मार्च 2008 के अंत में 38,612 करोड़ रुपये के घटे हुए स्तर से पता चलता है. 31 मार्च 2008 को आपके बैंक के कुल अग्रिम 82,213 करोड़ रुपये रहे, जो 31.6% की वृद्धि दर दर्शाते हैं. इसके परिणामस्वरूप वित्तीय वर्ष 2007-08 के दौरान जमाराशियों और अग्रिमों के रूप में निर्दिष्ट कुल कारोबार में 46.7% की बढ़ोतरी हुई. बांडों के रूप में जमाराशियों

तालिका 1 : वित्तीय विशेषताएं

(करोड़ रुपये)

वर्ष के अंत में	2006-07	2007-08
पूंजी	724.4	724.8
रिजर्व और अधिशेष	7575.5	8097.2
जमाराशियां	43,354.0	72,998.0
उधार राशियां	42,404.4	38,612.5
अन्य देयताएं और प्रावधान	9781.0	10,261.9
कुल देयताएं	1,03,839.3	1,30,694.4
नकद और रिज़र्व बैंक के पास शेष	5406.5	6694.8
बैंकों के पास शेष और मांग तथा अल्प सूचना पर देय राशि	1504.6	2064.0
निवेश	25,675.3	32,802.9
अग्रिम	62,470.8	82,212.7
अचल और अन्य आस्तियां	8782.1	6920.0
कुल आस्तियां	1,03,839.3	1,30,694.4
इस अवधि में	2006-07	2007-08
कुल आय (प्रावधान घटाकर)	7148.6	9145.9
कुल व्यय	6466.0	8323.2
कर-पूर्व लाभ	682.6	822.7
कर के लिए प्रावधान	52.3	93.2
कर-पश्चात् लाभ	630.3	729.5

तालिका 2 : लाभ का विनियोग

(करोड़ रुपये)

विवरण	2006-07	2007-08
वर्ष का निवल लाभ/(हानि)	630.3	729.5
आगे लाया गया लाभ/(हानि)	1030.7	1314.9
आईडीबीआई एक्जिम (जे) विशेष निधि	1.7	-
विनियोग के लिए उपलब्ध लाभ	1662.7	2044.4
विनियोग		
सांविधिक रिज़र्व में अंतरित	158.0	183.0
पूंजी रिज़र्व में अंतरित	11.0	3.1
सामान्य रिज़र्व में अंतरित	1.7	1600.0
आयकर अधिनियम, 1961 की धारा 36(1)(viii) के अधीन सृजित एवं अनुरक्षित विशेष रिज़र्व में अंतरित	50.0	70.0
लाभांश		
- इक्विटी शेयर	108.7	145.0
- प्रस्तावित लाभांश पर कर	18.5	22.3
तुलन पत्र में ले जाया गया शेष लाभ	1314.9	21.0

वित्तीय वर्ष 2007-08 के लिए बैंक के वार्षिक परिणाम घोषित करने के लिए मुंबई में आयोजित संवाददाता सम्मेलन में श्री योगेश अग्रवाल, अध्यक्ष एवं प्रबंध निदेशक एवं श्री जितेंदर बालकृष्णन, उप प्रबंध निदेशक व समूह प्रमुख-कॉरपोरेट बैंकिंग समूह.

Shri Yogesh Agarwal, CMD and Shri J. Balakrishnan, DMD and Group Head – Corporate Banking Group, at the Press Conference at Mumbai to announce the Annual Results of the Bank for FY 2007-08.

को शामिल करने पर वित्तीय वर्ष के दौरान बैंक का कारोबार 32.9% बढ़ा है.

लाभ एवं विनियोग

अप्रैल 2007-मार्च 2008 वर्ष के दौरान आपके बैंक द्वारा अर्जित सकल आय 9656.3 करोड़ रुपये रही, जिसमें ब्याज आय के 8020.8 करोड़ रुपये तथा अन्य आय के 1635.5 करोड़ रुपये शामिल हैं. इस अवधि के दौरान 603.6 करोड़ रुपये के प्रावधान किये गये, जिनमें अशोध्य एवं संदिग्ध ऋणों और निवेश के लिए 510.4 करोड़ रुपये तथा कर के लिए 93.2 करोड़ रुपये शामिल हैं. अशोध्य एवं संदिग्ध ऋणों एवं निवेश के लिए 510.4 करोड़ रुपये का प्रावधान घटाने के बाद निवल आय 9145.9 करोड़ रुपये रही. वर्ष के दौरान आपके बैंक का कुल व्यय, प्रावधानों एवं आकस्मिकताओं को छोड़कर, 8323.2 करोड़ रुपये रहा, जिसमें 7364.4 करोड़ रुपये का ब्याज खर्च एवं 958.8 करोड़ रुपये के परिचालन संबंधी खर्च शामिल हैं.

वर्ष के दौरान आपके बैंक के कार्य परिणामों से 822.7 करोड़ रुपये का कर-पूर्व लाभ हुआ. कराधान के लिए 93.2 करोड़ रुपये का प्रावधान करने के बाद कर-पश्चात् लाभ 729.5 करोड़ रुपये रहा. निदेशक मंडल द्वारा अनुमोदित कर-पश्चात् लाभ का विनियोग **तालिका** 2 में दिया गया है.

वर्ष के दौरान 10 रुपये अंकित मूल्य के प्रत्येक शेयर के लिए प्रति शेयर आय (ईपीएस) 10.1 रुपये रही और मार्च 2008 के अंत में प्रति शेयर बही मूल्य 93.4 रुपये रहा.

लाभांश

निदेशकों ने वित्तीय वर्ष 2007-08 के लिए पूर्णतः प्रदत्त इक्विटी पूंजी पर 20% लाभांश की सिफारिश की है.

पूंजी पर्याप्तता

आपके बैंक का पूंजी पर्याप्तता अनुपात (सीएआर) सुदृढ़ बना रहा. रिज़र्व बैंक द्वारा निर्धारित 9% के मानदंड की तुलना में मार्च 2008 के अंत में आपके बैंक का सीएआर 11.95% रहा. टीयर-I सीएआर भी 7.42% के उच्च स्तर पर रहा. हालांकि वर्तमान कारोबारी जरूरतों के लिए पूंजी का वर्तमान स्तर पर्याप्त है, फिर भी आपका बैंक लगातार यह सुनिश्चित करेगा कि पूंजी पर्याप्त है और अपनी दीर्घकालिक कारोबारी योजनाओं के लिए सहायक है तथा इसकी लागत को इष्टतम करने के लिए इसका प्रभावी रूप से निवेश किया गया है. आपके बैंक ने बासेल-II ढाँचे का अनुपालन सुनिश्चित करने के लिए भी तत्परतापूर्वक कदम उठाये हैं.

कारोबार रणनीति

बैंकिंग कारोबार के प्रमुख क्षेत्रों पर धीरे-धीरे अधिक ध्यान देना सुनिश्चित करने के लिए वर्ष के दौरान विभिन्न कारोबारी वर्टिकल बना कर रणनीति को अंतिम रूप दिया गया. वित्तीय वर्ष के

आईडीबीआई बैंक ने 11 सितंबर 2007 को 'हिंदी दिवस' मनाया. इस अवसर पर अध्यक्ष एवं प्रबंध निदेशक श्री योगेश अग्रवाल ने स्टाफ को संबोधित किया. मंच पर आसीन- (बाएं से) श्री ओ.वी.बुंदेलू, उप प्रबंध निदेशक व समूह प्रमुख-रिटेल बैंकिंग समूह और श्री बी.पी. सिंह, प्रमुख-मानव संसाधन, प्रशासन व विधि.

IDBI Bank celebrated `Hindi Divas' on September 11, 2007. Shri Yogesh Agarwal, CMD, addressed the staff on the occasion. Seated on the dais are Shri O.V. Bundellu, DMD and Group Head – Retail Banking Group (left) and Shri B.P. Singh, Head – HR, Admn. & Legal.