



## KOTAK MAHINDRA BANK LIMITED

Registered Office : 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai 400 021.

### CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2003

S. N.	PARTICULARS	Rs. In lakhs	
		For the year ended Apr 02 – Mar 03 (Audited)	For the year ended Apr 01 – Mar 02 (Audited)
1	Interest earned (a+b+c+d)	<b>45082.92</b>	<b>36606.54</b>
a	Interest/ discount on advances/ bills	37822.06	29915.68
b	Income on investments	4505.29	4743.82
c	Interest on balances with RBI & other banks	637.10	579.70
d	Others	2118.47	1367.34
2	Other Income	26401.37	23994.09
<b>A</b>	<b>Total income (1+2)</b>	<b>71484.29</b>	<b>60600.63</b>
3	Interest expended	20381.92	16531.09
4	Operating expenses (e+f)	34545.11	26832.55
e	Payments to and Provisions for employees	10218.54	8435.90
f	Other Operating expenses	24326.57	18396.65
<b>B</b>	<b>Total expenditure (3+4)</b>	<b>54927.03</b>	<b>43363.64</b>
<b>C</b>	<b>Operating Profit (A-B)</b>	<b>16557.26</b>	<b>17236.99</b>
D	Other provisions & contingencies	2361.68	1903.19
<b>E</b>	<b>Profit before tax</b>	<b>14195.58</b>	<b>15333.80</b>
F	Provision for taxes	6377.22	5857.92
<b>G</b>	<b>Profit after tax (E – F)</b>	<b>7818.36</b>	<b>9475.88</b>
H	Less : Share of Minority Interest	721.04	1066.90
I	Add : Share in profit of associates	234.19	-
<b>J</b>	<b>Consolidated Profit for the year attributable to the Group</b>	<b>7331.51</b>	<b>8408.98</b>
5	Paid Up Equity Capital	5921.28	5921.28
6	Group Reserves (excluding minority interest)	99636.03	91033.75
7	Networth - Minority Interest	27367.72	24686.07
iii.	Earnings per share Basic Rs.	12.38	14.20
iv.	Earnings per Share Diluted Rs.	12.38	14.20



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### AUDITED FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2003

Rs. In lakhs						
S. N.	PARTICULARS	For the period April – Dec 02 (Un-audited)	For the period Jan – Mar 03 (Un-audited)	For the period Jan – Mar 02 (Un-audited)	For the year ended Apr 02 – Mar 03 (Audited)	For the year ended Apr 01 – Mar 02 (Audited)
1	Interest earned (a+b+c+d)	11805.13	5558.70	3517.21	17363.83	12223.45
a	Interest/ discount on advances/ bills	11414.24	4799.65	3043.91	16213.89	11538.02
b	Income on investments	340.36	751.35	437.04	1091.71	612.81
c	Interest on balances with RBI& other banks	12.12	6.67	12.78	18.79	49.14
d	Others	38.41	1.03	23.48	39.44	23.48
2	Other Income	5597.08	2506.83	1745.06	8103.91	6500.00
A	<b>Total income (1+2)</b>	<b>17402.21</b>	<b>8065.53</b>	<b>5262.27</b>	<b>25467.74</b>	<b>18723.45</b>
3	Interest expended	6246.09	2436.88	1580.65	8682.97	5382.97
4	Operating expenses (e+f)	5232.14	2594.63	1695.99	7826.77	4804.41
e	Payments to and Provisions for employees	1397.82	775.93	329.58	2173.75	1358.00
f	Other Operating expenses	3834.32	1818.70	1366.41	5653.02	3446.41
B	Total expenditure (3+4)	11478.23	5031.51	3276.64	16509.74	10187.38
C	<b>Operating Profit (A-B)</b>	<b>5923.98</b>	<b>3034.02</b>	<b>1985.63</b>	<b>8958.00</b>	<b>8536.07</b>
D	Other provisions& contingencies	634.04	1322.71	(393.82)	1956.75	1034.70
E	<b>Profit before tax (C-D)</b>	<b>5289.94</b>	<b>1711.31</b>	<b>2379.45</b>	<b>7001.25</b>	<b>7501.37</b>
F	Provision for taxes	1800.00	705.17	449.26	2505.17	2049.26
G	<b>Profit after tax (E – F)</b>	<b>3489.94</b>	<b>1006.14</b>	<b>1930.19</b>	<b>4496.08</b>	<b>5452.11</b>
5	Paid Up Equity Capital	5921.28	5921.28	5921.28	5921.28	5921.28
6	Reserves excluding revaluation reserves				48223.91	45126.80
7	Analytical Ratios					
i.	% of shares held by Govt. of India	Nil	Nil	Nil	Nil	Nil
ii.	% Capital adequacy ratio				25.97%	30.47%
iii.	Earnings per share Basic Rs.	5.89	1.70	3.26	7.59	9.21
iv.	Earnings per Share Diluted Rs.	5.89	1.70	3.26	7.59	9.21
8	Non Promoter Shareholding					
i.	No. of shares				21926911	21552211
ii.	% shareholding				37.03%	36.40%



**KOTAK MAHINDRA BANK LIMITED  
SEGMENT REPORTING**

Rs. in lakhs

S. N.	PARTICULARS	For the period April – Dec 02 (Un-audited)	For the period Jan – Mar 03 (Un-audited)	For the period Jan – Mar 02 (Un-audited)	For the year ended Apr 02 – Mar 03 (Audited)	For the year ended Apr 01 – Mar 02 (Audited)
<b>1</b>	<b>Segment Revenue</b>					
	Lending activities	13228.81	5979.24	3622.00	19208.05	12499.90
	Group Services	4173.40	2086.29	1640.27	6259.69	6223.55
	<b>Total</b>	<b>17402.21</b>	<b>8065.53</b>	<b>5262.27</b>	<b>25467.74</b>	<b>18723.45</b>
	Less : Inter-segment revenue	-	-	-	-	-
	<b>Total income</b>	<b>17402.21</b>	<b>8065.53</b>	<b>5262.27</b>	<b>25467.74</b>	<b>18723.45</b>
<b>2</b>	<b>Segment Results</b>					
	Lending activities	3888.41	1913.44	1465.90	5801.85	3968.09
	Group Services	1609.81	(201.42)	927.28	1408.39	3806.15
	<b>Total</b>	<b>5498.22</b>	<b>1712.02</b>	<b>2393.18</b>	<b>7210.24</b>	<b>7774.24</b>
	Less : unallocable expenditure	(208.28)	(0.71)	(13.73)	(208.99)	(272.87)
	<b>Total Profit before Tax</b>	<b>5289.94</b>	<b>1711.31</b>	<b>2379.45</b>	<b>7001.25</b>	<b>7501.37</b>
<b>3</b>	<b>Capital employed</b>					
	Lending activities	20000.00	20000.00	20000.00	20000.00	20000.00
	Group Services	32389.41	33501.86	32475.42	33501.86	32475.42
	Others	2059.17	643.33	(1502.99)	643.33	(1502.99)
	<b>Total</b>	<b>54448.58</b>	<b>54145.19</b>	<b>50972.43</b>	<b>54145.19</b>	<b>50972.43</b>



1. Pursuant to the resolution passed by the shareholders at the Extraordinary General Meeting held on 30<sup>th</sup> December, 2002 and the issue of Banking Licence by RBI on 6<sup>th</sup> February 2003, the Company converted itself into a Commercial Bank with effect from 22<sup>nd</sup> March, 2003. The Financial Statements for the year ended 31<sup>st</sup> March, 2003 have, therefore, been prepared as per RBI guidelines which are applicable to banks. The Bank has accordingly, changed some of the accounting policies to ensure compliance with banking regulations issued by RBI and practices that are prevalent in the banking industry. As a result, the previous year's figures are not strictly comparable with those of the current year.
2. Operating expenses for the year ended 31<sup>st</sup> March 2003 include expenses amounting to Rs. 2085 lakhs towards conversion as indicated in para 1 above and other related costs.
3. For and upto the accounting year ended on 31<sup>st</sup> March, 2002, the Bank was accruing income on its loan portfolio based on the schedule of equated monthly instalments. During the year, the Bank has changed its method of accounting and accrued income till the balance sheet date. As a result of this change, the profit before tax for the year is higher by Rs.740.87 lakhs.
4. During the year, the Bank has securitized some of its receivables. The difference between amounts received on securitization / sale of such receivables over the principal outstanding, amounting to Rs.784.57 lakhs has been recognized as income for the year and included as part of other income
5. For and upto the accounting year ended 31<sup>st</sup> March 2002, the Company when it was a NBFC had been writing off improvements to owned/ leased premises in the year of incurring. Consequent to the conversion into a Bank and in line with practices prevalent in the banking industry, the Bank has changed its method of accounting and has capitalized the same to be depreciated over the period of lease subject to a maximum period of 6 years. Consequent to this change, the Profit before Tax for the year is higher by Rs.136.07 lakhs.
6. For and upto the accounting year ended 31<sup>st</sup> March 2002, the Company when it was a NBFC had been writing off expenditure on software in the year of incurring. Consequent to the conversion into a Bank and in line with banking regulations and practices prevalent in the banking industry, the Bank has changed its method of accounting and has capitalized the same to be depreciated over the period of 3 years. Consequent to this change, the Profit before Tax for the year is higher by Rs.1024.17 lakhs.
7. Other provisions and contingencies for the quarter January to March 2003 of Rs. 1322.71 lakhs include provision for diminution in the value of investment in Fascel Limited amounting to Rs. 1156.28 lakhs, which was sold by the Bank in April 2003. The consolidated figures for the Group includes profit on sale of Fascel shares sold by the Bank's subsidiary amounting to Rs. 1361.70 lakhs.



8. Consolidated results for the Group are based on Accounting Standard 21 and Accounting Standard 23 issued by the Institute of Chartered Accountants of India and as per the guidelines issued by Reserve Bank of India on 25<sup>th</sup> February 2003 in this regard. The Consolidated results are after considering losses towards the life insurance business amounting to Rs. 4232.68 lakhs (previous year Rs. 2343.56 lakhs), before minority interest.
9. The Bank has declared a tax free Dividend of 21%, subject to approval of its shareholders at the Annual General Meeting scheduled on 31<sup>st</sup> July 2003.
10. The Board took on record the above results at the meeting held on 23<sup>rd</sup> June 2003.
11. Figures for the previous year have been regrouped wherever necessary to conform with the current year's presentation.

By order of the Board of Directors  
**For Kotak Mahindra Bank Limited**

**Mumbai, 23<sup>rd</sup> June 2003**

**Dipak Gupta**  
**Executive Director**