



**KOTAK MAHINDRA BANK LIMITED (CONSOLIDATED)**

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

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 2004**

*Rs Lakhs*

Sr No	Particulars	Quarter Ended	Quarter Ended	Year Ended
		June-04 (Unaudited)	June-03 (Unaudited)	Mar-04 (Audited)
1	<b>Interest earned (a+b+c+d)</b>	<b>16,435.66</b>	<b>13,245.26</b>	<b>63,624.87</b>
	(a) Interest/discount on advances/bills	13,021.58	10,160.82	46,188.74
	(b) Income on investments	2,782.20	2,406.89	12,690.17
	(c) Interest on balances with RBI & other banks	417.49	148.81	1,041.58
	(d) Others	214.39	528.74	3,704.38
2	<b>Other Income (Refer Note 2)</b>	<b>11,768.16</b>	<b>8,026.86</b>	<b>52,921.99</b>
	<b>(A) Total income (1+2)</b>	<b>28,203.82</b>	<b>21,272.12</b>	<b>116,546.86</b>
3	<b>Interest expended</b>	<b>7,085.75</b>	<b>5,930.15</b>	<b>25,289.08</b>
4	<b>Operating expenses (e+f)</b>	<b>14,989.75</b>	<b>9,424.52</b>	<b>57,188.09</b>
	(e) Payments to and Provisions for employees	4,906.83	2,979.53	15,878.88
	(f) Other Operating expenses	10,082.92	6,444.99	41,309.21
	<b>(B) Total expenditure (3+4)</b>	<b>22,075.50</b>	<b>15,354.67</b>	<b>82,477.17</b>
	<b>(C) Operating Profit (A-B)</b>	<b>6,128.32</b>	<b>5,917.45</b>	<b>34,069.69</b>
	(D) Other provisions & contingencies (Refer Note 1)	557.31	159.85	998.60
	<b>(E) Profit before tax</b>	<b>5,571.01</b>	<b>5,757.60</b>	<b>33,071.09</b>
	(F) Provision for taxes	2,233.29	2,561.40	13,031.02
	<b>(G) Profit after tax before Minority Interest (E - F)</b>	<b>3,337.72</b>	<b>3,196.20</b>	<b>20,040.07</b>
	(H) Less: Share of Minority Interest	332.71	323.90	2,864.91
	(I) Add: Share in Profit of associates	64.90	29.86	240.70
	<b>Consolidated Profit after tax attributable to the Group (G - H + I)</b>	<b>3,069.91</b>	<b>2,902.16</b>	<b>17,415.86</b>
5	<b>Paid Up Equity Capital - (face value of Rs 10 per share)</b>	<b>5,953.28</b>	<b>5,921.28</b>	<b>5,953.28</b>
6	<b>Group Reserves (excluding minority interest)</b>			<b>117,357.19</b>
7	<b>Minority Interest</b>			<b>31,777.96</b>
8	<b>Analytical Ratios</b>			
	(i) Earnings per share Basic Rs.	5.16	4.90	29.35
	(ii) Earnings per Share Diluted Rs.	5.10	4.89	29.00



**KOTAK MAHINDRA BANK LIMITED (STANDALONE)**

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

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 2004**

*Rs Lakhs*

Sr No	Particulars	Quarter Ended	Quarter Ended	Year Ended
		June-04 (Reviewed)	June-03 (Reviewed)	Mar-04 (Audited)
1	<b>Interest earned (a+b+c+d)</b>	<b>8,702.59</b>	<b>5,638.18</b>	<b>28,841.75</b>
	(a) Interest/discount on advances/bills	6,504.97	4,451.60	21,052.51
	(b) Income on investments	1,946.47	1,124.45	7,207.51
	(c) Interest on balances with RBI & other banks	221.07	33.27	505.95
	(d) Others	30.08	28.86	75.78
2	<b>Other Income</b>	<b>2,846.99</b>	<b>2,307.95</b>	<b>9,549.08</b>
	<b>(A) Total income (1+2)</b>	<b>11,549.58</b>	<b>7,946.13</b>	<b>38,390.83</b>
3	<b>Interest expended</b>	<b>4,108.64</b>	<b>2,766.73</b>	<b>11,746.47</b>
	<b>Operating expenses (e+f)</b>	<b>4,181.92</b>	<b>2,374.51</b>	<b>13,992.75</b>
	(e) Payments to and Provisions for employees	1,493.16	848.66	4,293.17
	(f) Other Operating expenses	2,688.76	1,525.85	9,699.58
	<b>(B) Total expenditure (3+4)</b>	<b>8,290.56</b>	<b>5,141.24</b>	<b>25,739.22</b>
	<b>(C) Operating Profit (A-B)</b>	<b>3,259.02</b>	<b>2,804.89</b>	<b>12,651.61</b>
	(D) Other provisions & contingencies (Refer Note 1)	203.01	(204.34)	573.06
	<b>(E) Profit before tax</b>	<b>3,056.01</b>	<b>3,009.23</b>	<b>12,078.55</b>
	(F) Provision for taxes	850.00	1,075.00	4,205.79
	<b>(G) Profit after tax (E - F)</b>	<b>2,206.01</b>	<b>1,934.23</b>	<b>7,872.76</b>
5	<b>Paid Up Equity Capital</b> - (face value Rs. 10 per share)	5,953.28	5,921.28	5,953.28
6	<b>Reserves excluding revaluation</b>			54,612.82
7	<b>Analytical Ratios</b> (Refer note 5)			
	(i) % of shares held by Govt. of India	Nil	Nil	Nil
	(ii) % Capital adequacy ratio	14.69%	14.51%	15.25%
	(iii) Earnings per share Basic Rs.	3.71	3.27	13.27
	(iv) Earnings per Share Diluted Rs.	3.66	3.26	13.11
8	<b>Non Promoter Shareholding (excluding other directors and relatives)</b>			
	(i) No of shares	23,247,762	21,933,363	23,247,762
	(ii) % of shareholding	39.05%	37.04%	39.05%



**KOTAK MAHINDRA BANK LIMITED (STANDALONE)**

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

**SEGMENT RESULTS**

*Rs Lakhs*

Sr No	Particulars	Quarter Ended	Quarter Ended	Year Ended
		June-04 (Reviewed)	June-03 (Reviewed)	Mar-04 (Audited)
1	<b>Segment Revenue (Standalone)</b>			
	Retail Lending activities	5,828.23	3,954.85	18,922.54
	Corporate Banking	2,083.53	682.45	6,221.01
	Treasury	3,189.17	3,359.12	12,877.03
	Retail Liabilities and Branch banking	485.67	42.43	807.61
	Corporate Centre	2,316.74	1,564.40	6,699.78
	<b>Total</b>	<b>13,903.34</b>	<b>9,603.25</b>	<b>45,527.97</b>
	Less: Inter segment revenue	2,353.76	1,657.12	7,137.14
	<b>Total Revenue</b>	<b>11,549.58</b>	<b>7,946.13</b>	<b>38,390.83</b>
2	<b>Segment Results (Standalone)</b>			
	Retail Lending activities	1,688.73	1,565.07	6,182.97
	Corporate Banking	652.03	288.02	2,372.53
	Treasury	(164.78)	651.00	1,692.95
	Retail Liabilities and Branch banking	(1192.27)	(848.42)	(4,191.74)
	Corporate Centre	2,072.30	1,399.20	6,021.84
	<b>Total</b>	<b>3,056.01</b>	<b>3,054.87</b>	<b>12,078.55</b>
	Less: Un - allocable expenditure net off Unallocated Income	-	(45.64)	-
	<b>Profit Before Tax</b>	<b>3,056.01</b>	<b>3,009.23</b>	<b>12,078.55</b>
3	<b>Segment Assets (Standalone)</b>			
	Retail Lending activities	200,702.54	136,718.45	181,754.56
	Corporate Banking	100,770.77	170,737.30	322,593.59
	Treasury	206,186.94	131,515.43	173,617.68
	Retail Liabilities and Branch banking	36,836.20	53,633.68	155,981.23
	Corporate Centre	39,123.84	56,680.14	55,831.75
	<b>Total</b>	<b>583,620.29</b>	<b>549,285.00</b>	<b>889,778.81</b>
	Less: Inter segment assets	170,876.75	191,315.08	308,875.84
	<b>Total Assets</b>	<b>412,743.54</b>	<b>357,969.92</b>	<b>580,902.97</b>
4	<b>Segment Liabilities (Standalone)</b>			
	Retail Lending activities	178,023.75	103,010.36	163,375.12
	Corporate Banking	91,118.74	169,329.39	318,945.14
	Treasury	206,359.43	135,177.68	177,177.83
	Retail Liabilities and Branch banking	38,042.59	58,053.30	162,912.84
	Corporate Centre	7,605.81	27,351.61	7,529.13
	<b>Total</b>	<b>521,150.32</b>	<b>492,922.34</b>	<b>829,940.06</b>
	Less: Inter segment Liabilities	170,876.75	191,315.08	308,875.84
	<b>Total Liabilities</b>	<b>350,273.57</b>	<b>301,607.26</b>	<b>521,064.22</b>
5	<b>Unallocated Assets net off Liabilities</b>	<b>452.75</b>	<b>(277.42)</b>	<b>792.48</b>

**NOTES:**

- Provisions and contingencies are net of recoveries made against accounts which have been written off as bad in the previous year/s.
- Details of other income forming part of the Consolidated unaudited results are as follows :

*Rs Lakhs*

Sr No	Particulars	Quarter Ended	Quarter Ended	Year Ended
		June-04 (Unaudited)	June-03 (Unaudited)	Mar-04 (Audited)
1	Commission, Fees, Exchange and brokerage	7,292.12	3,172.86	27,040.68
2	Premium on insurance business	2,639.64	1,312.30	14,651.18
3	Profit on sale of investments	1,324.72	3,241.97	9,786.93
4	Others	511.68	299.73	1,443.20
	<b>Total - Other income</b>	<b>11,768.16</b>	<b>8,026.86</b>	<b>52,921.99</b>

- The Bank, upto the financial year ended 31<sup>st</sup> March 2003, accounted for brokerage expenses and service charges received in respect of advances by using the internal rate of return method to provide a constant periodic rate of return over the period of the advance. The Bank changed its method of accounting for the financial year ended 31<sup>st</sup> March 2004 (in the quarter January 2004 to March 2004), wherein service charges received on such transactions are recognized as revenue when due and brokerage expenses due on such transactions are charged to revenue when due. Had the said change been effected for the quarter April 2003 to June 2003, the profit after tax for the said quarter would have been lower by Rs. 8.92 lakhs.
- During the quarter, the Bank has subscribed to the rights issue of equity shares of its subsidiary, Kotak Mahindra Old Mutual Life Insurance Company Limited amounting to Rs. 2238.61 lakhs.
- The Board of Directors of the Bank at its meeting held on 25<sup>th</sup> May 2004, approved the issue of bonus shares in the ratio of one equity share for every share held subject to the approval of the shareholders at the Annual General Meeting. The earnings per share (basic and diluted) under para 7 (iii) and (iv) above is not adjusted for the bonus shares to be issued.
- The Bank's business has been segregated into the following segments whose principal activities are as under :

Segment	Principal activity
Treasury	Money market, forex market, derivatives and investments other than those handled by Corporate Centre
Corporate Banking	Wholesale borrowings and lendings and services to corporate sector
Retail liabilities and branch banking	Retail borrowings covering savings and current accounts and banking branch network and services.
Retail Lending Activities	Commercial vehicle finance, personal loans, home loans, agriculture finance and other loans/services.
Corporate Centre	Strategic and portfolio investments and group activities

The above segments have been identified based on the organization structure, the customer segment, products and services offered and its relation to risk and reward, and the internal reporting process.



A transfer pricing mechanism between all the above segments have been established to arrive at interest cost on the borrowings of the segments.

7. Status of shareholder complaints received during the quarter ended 30<sup>th</sup> June 2004 :

Total complaints pending as at 31 <sup>st</sup> March 2004	Nil
Total complaints received during the quarter ended 30 <sup>th</sup> June 2004	73
Total complaints resolved during the quarter ended 30 <sup>th</sup> June 2004	73
Total complaints pending as at 30 <sup>th</sup> June 2004	Nil

8. Pursuant to Clause 5.2 of the Securities and Exchange Board of India (Delisting of Securities Guidelines, 2003), the Bank's equity shares have been voluntarily delisted from the Madras Stock Exchange Ltd. effective 21<sup>st</sup> June 2004. The equity shares continue to be listed at the Bombay Stock Exchange and the National Stock Exchange.
9. The above results for the quarter ended June 2004 (of the standalone entity), have been subjected to a "limited review" by the statutory auditors of the Bank.
10. Figures for the previous period/ year have been regrouped wherever necessary to conform to current year's presentation.
11. The above results were taken on record at the Audit Committee meeting held on 23<sup>rd</sup> July 2004 and at the meeting of the Board of Directors held on 26<sup>th</sup> July 2004.

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

Mumbai, 26<sup>th</sup> July 2004

**Dipak Gupta**  
Executive Director