



KOTAK MAHINDRA BANK LIMITED (CONSOLIDATED)

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

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 2005

Rs. lakhs

Sr No	Particulars	Nine Months Ended	Quarter Ended			Year Ended	
			Dec-04 (Unaudited)	Mar-05 (Unaudited)	Mar-04 (Unaudited)	Mar-05 (Audited)	Mar-04 (Audited)
1	Interest earned (a+b+c+d)	55,626.85	21,985.74	19,426.45	77,612.59	63,616.04	
	(a) Interest/discount on advances/bills	43,811.17	17,924.02	13,560.86	61,735.19	46,179.91	
	(b) Income on investments	9,771.43	3,243.85	4,217.60	13,015.28	12,690.17	
	(c) Interest on balances with RBI & other banks	1,275.41	289.14	471.34	1,564.55	1,041.58	
	(d) Others	768.84	528.73	1,176.65	1,297.57	3,704.38	
2	Other income (Refer Note 2)	43,936.20	49,566.46	19,811.58	93,502.66	52,853.89	
	(A) Total income (1+2)	99,563.05	71,552.20	39,238.03	171,115.25	116,469.93	
3	Interest expended	23,870.43	8,994.92	6,360.30	32,865.35	25,288.76	
4	Operating expenses (e+f)	55,104.32	50,406.38	21,257.96	1,05,510.70	57,111.48	
	(e) Payments to and Provisions for employees	15,631.49	9,463.15	4,881.41	25,094.64	15,878.88	
	(f) Other operating expenses (Refer Note 3)	39,472.83	40,943.23	16,376.55	80,416.06	41,232.60	
	(B) Total expenditure (3+4)	78,974.75	59,401.30	27,618.26	138,376.05	82,400.24	
	(C) Operating Profit (A-B)	20,588.30	12,150.90	11,619.77	32,739.20	34,069.69	
	(D) Other provisions & contingencies (Refer Note 1)	1,265.01	517.93	250.03	1,782.94	998.60	
	(E) Profit before tax	19,323.29	11,632.97	11,369.74	30,956.26	33,071.09	
	(F) Provision for taxes	7,626.38	3,941.01	4,093.60	11,567.39	13,031.02	
	(G) Profit after tax before Minority Interest (E - F)	11,696.91	7,691.96	7,276.14	19,388.87	20,040.07	
	(H) Less: Share of Minority Interest	1,262.51	1,368.21	1,216.72	2,630.72	2,864.91	
	(I) Add: Share in Profit of associates	228.63	103.89	132.31	332.52	240.70	
	Consolidated Profit after tax attributable to the Group (G - H + I)	10,663.03	6,427.64	6,191.73	17,090.67	17,415.86	
5	Paid Up Equity Capital - (Face Value of Rs 10 per share)	11,994.55	12,332.35	5,953.28	12,332.35	5,953.28	
6	Group Reserves (excluding Minority Interest)				134,352.14	117,597.75	
7	Minority Interest				35,872.91	31,938.84	
8	Analytical Ratios						
	(i) Earnings per Share Basic Rs. (Refer Note 7)	8.93	5.29	5.20	14.25	14.68	
	(ii) Earnings per Share Diluted Rs.	8.87	5.25	5.15	14.15	14.50	

KOTAK MAHINDRA BANK LIMITED (STANDALONE)

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

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 2005
Rs Lakhs

Sr No	Particulars	Nine Months Ended	Quarter Ended		Year Ended	
			Dec-04 (Reviewed)	Mar-05 (Unaudited)	Mar-04 (Unaudited)	Mar-05 (Audited)
1	Interest earned (a+b+c+d)	29,751.79	12,278.70	9,565.19	42,030.49	28,832.92
	(a) Interest/discount on advances/ bills	21,981.72	10,004.95	6,702.75	31,986.67	21,043.68
	(b) Income on investments	6,996.48	2,098.38	2,543.83	9,094.86	7,207.51
	(c) Interest on balances with RBI & other banks	705.08	174.67	292.28	879.75	505.95
	(d) Others	68.51	0.70	26.33	69.21	75.78
2	Other income	8,339.15	4,868.59	2,157.92	13,207.74	9,480.98
	(A) Total income (1+2)	38,090.94	17,147.29	11,723.11	55,238.23	38,313.90
3	Interest expended	13,929.66	5,552.61	2,876.85	19,482.27	11,746.13
4	Operating expenses (e+f)	14,792.65	7,657.34	5,255.45	22,449.99	13,916.16
	(e) Payments to and Provisions for employees	4,936.55	2,826.61	1,477.72	7,763.16	4,293.18
	(f) Other operating expenses	9,856.10	4,830.73	3,777.73	14,686.83	9,622.98
	(B) Total expenditure (3+4)	28,722.31	13,209.95	8,132.30	41,932.26	25,662.29
	(C) Operating Profit (A-B)	9,368.63	3,937.34	3,590.81	13,305.97	12,651.61
	(D) Other provisions & contingencies (Refer Note 1)	727.11	739.82	346.87	1,466.93	573.06
	(E) Profit before tax	8,641.52	3,197.52	3,243.94	11,839.04	12,078.55
	(F) Provision for taxes	2,460.00	890.00	1,184.79	3,350.00	4,205.79
	(G) Profit after tax (E - F)	6,181.52	2,307.52	2,059.15	8,489.04	7,872.76
5	Paid Up Equity Capital - (Face Value Rs. 10 per share)	11,994.55	12,332.35	5,953.28	12,332.35	5,953.28
6	Reserves excluding revaluation		62,755.01	54,612.82	62,755.01	54,612.82
7	Analytical Ratios					
	(i) % of shares held by Govt. of India	Nil	Nil	Nil	Nil	Nil
	(ii) % Capital adequacy ratio (Refer Notes 11 and 12)	13.73%	12.80%	15.25%	12.80%	15.25%
	(iii) Earnings per Share Basic Rs. *	5.18	1.90	1.73	7.08	6.63
	(iv) Earnings per Share Diluted Rs.	5.14	1.89	1.71	7.03	6.55
	* Refer Note 7					
8	Non Promoter Shareholding					
	(i) No. of shares (Refer Note 7)	47,490,524	50,873,504	23,247,762	50,873,504	23,247,762
	(ii) % of shareholding	39.59%	41.25%	39.05%	41.25%	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	Nine Months Ended	Quarter Ended		Year Ended	
		Dec-04 (Reviewed)	Mar-05 (Unaudited)	Mar-04 (Unaudited)	Mar-05 (Audited)	Mar-04 (Audited)
1	Segment Revenue (Standalone)					
	Retail Lending activities	19,845.56	9,510.00	6,080.87	29,355.56	18,922.54
	Corporate Banking	8,011.63	2,591.15	3,142.67	10,602.78	6,221.01
	Treasury	9,678.69	3,719.73	2,376.63	13,398.42	12,800.10
	Retail Liabilities and Branch banking	2,429.28	2,605.95	463.00	5,035.23	807.61
	Corporate Centre	6,189.99	2,177.45	1,630.16	8,367.44	6,699.78
	Total	46,155.15	20,604.28	13,693.33	66,759.43	45,451.04
	Less: Inter segment revenue	8,104.40	3,449.45	1,970.22	11,553.85	7,137.14
	Add: Unallocable revenue	40.19	(7.54)		32.65	
	Total Revenue	38,090.94	17,147.29	11,723.11	55,238.23	38,313.90
2	Segment Results (Standalone)					
	Retail Lending activities	5,418.45	2,739.83	1,627.24	8,158.28	6,182.97
	Corporate Banking	2,422.61	96.42	1,626.48	2,519.04	2,372.53
	Treasury	(875.54)	(608.23)	(278.85)	(1,483.77)	1,692.95
	Retail Liabilities and Branch banking	(3,802.22)	(841.12)	(1,197.13)	(4,643.34)	(4,191.74)
	Corporate Centre	5,438.03	1,818.16	1,340.49	7,256.18	6,021.84
	Total	8,601.33	3,205.06	3,118.23	11,806.39	12,078.55
	Add: Unallocable revenue net off unallocable expenditure	40.19	(7.54)	125.71	32.65	-
	Profit Before Tax	8,641.52	3,197.52	3,243.94	11,839.04	12,078.55
3	Segment Assets (Standalone)					
	Retail Lending activities	2,57,700.02	3,15,866.55	1,81,753.08	3,15,866.55	1,81,753.08
	Corporate Banking	1,14,241.38	1,50,097.20	3,22,593.59	1,50,097.20	3,22,593.59
	Treasury	2,83,738.44	3,23,007.96	3,20,488.81	3,23,007.96	3,20,488.81
	Retail Liabilities and Branch banking	57,953.93	75,236.14	9,110.07	75,236.14	9,110.07
	Corporate Centre	40,803.63	50,303.51	55,831.75	50,303.51	55,831.75
	Total	7,54,437.40	9,14,511.36	8,89,777.30	9,14,511.36	8,89,777.30
	Less: Inter segment assets	2,23,567.18	2,64,083.73	3,08,875.84	2,64,083.73	3,08,875.84
	Total Assets	5,30,870.22	6,50,427.63	5,80,901.46	6,50,427.63	5,80,901.46
4	Segment Liabilities (Standalone)					
	Retail Lending activities	2,31,292.59	2,85,834.49	1,63,373.65	2,85,834.49	1,63,373.65
	Corporate Banking	1,02,818.77	1,38,283.41	3,18,945.14	1,38,283.41	3,18,945.14
	Treasury	2,84,622.08	3,24,320.81	3,24,048.96	3,24,320.81	3,24,048.96
	Retail Liabilities and Branch banking	61,791.57	81,635.79	16,041.68	81,635.79	16,041.68
	Corporate Centre	7,428.13	7,844.61	7,529.13	7,844.61	7,529.13
	Total	6,87,953.14	8,37,919.11	8,29,938.55	8,37,919.11	8,29,938.55
	Less: Inter segment liabilities	2,23,567.18	2,64,083.75	3,08,875.84	2,64,083.75	3,08,875.84
	Total Liabilities	4,64,385.96	5,73,835.36	5,21,062.71	5,73,835.36	5,21,062.71
5	Unallocated Assets net off Liabilities	900.94	(1504.91)	727.35	(1504.91)	727.35

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 audited results are as follows :

Rs lakhs

Sr No	Particulars	Nine Months Ended	Quarter Ended		Year Ended	
		Dec-04 (Unaudited)	Mar-05 (Unaudited)	Mar-04 (Unaudited)	Mar-05 (Audited)	Mar-04 (Audited)
1	Commission, Fees, Exchange and brokerage	24,751.39	15,151.59	9,605.90	39,902.98	27,044.15
2	Premium on insurance business	14,165.32	31,922.84	7,990.25	46,088.66	14,651.18
3	Profit on sale of investments	2,868.31	1,580.72	1,725.72	4,449.03	9,786.93
4	Others	2,150.68	911.31	489.71	3,061.99	1,371.63
	Total - Other income	43,936.20	49,566.46	19,811.58	93,502.66	52,853.89

- Details of other expenditure forming part of the Consolidated audited results are as follows :

Rs lakhs

Sr No	Particulars	Nine Months Ended	Quarter Ended		Year Ended	
		Dec-04 (Unaudited)	Mar-05 (Unaudited)	Mar-04 (Unaudited)	Mar-05 (Audited)	Mar-04 (Audited)
1	Policy holder reserves	10,353.82	26,600.47	6,004.21	36,954.29	9,493.73
2	Brokerage	5,734.32	3,500.61	2,627.73	9,234.93	6,187.09
3	Depreciation	3,255.83	1,293.58	1,007.50	4,549.41	3,236.24
4	Rent, taxes and lighting	2,857.42	1,333.32	905.35	4,190.74	2,899.61
5	Others	17,271.44	8,215.25	5,831.76	25,486.69	19,415.93
	Total - Other operating exp.	39,472.83	40,943.23	16,376.55	80,416.06	41,232.60

- During the period April 2004 to March 2005, the Bank has subscribed to the rights issue of equity shares of its subsidiary, Kotak Mahindra Old Mutual Life Insurance Limited (Kotak Life) amounting to Rs. 4,477.21 lakhs, including Rs.746.19 lakhs in the quarter January 2005 to March 2005. The total investment made by the Bank in Kotak Life as of March 2005 is Rs. 15,670.29 lakhs.
- At the Annual General Meeting of the Bank held on 26th July 2004, the shareholders approved the increase in authorised share capital from Rs. 100 crores to Rs. 200 crores.
- Following the approval of the shareholders at the Annual General Meeting on 26th July 2004, a committee of the Board of Directors at its meeting held on 28th August 2004 allotted bonus shares in the ratio of one equity share for every share held. In accordance with Accounting Standard 20 (AS 20), Earnings Per Share issued by the Institute of Chartered Accountants of India (ICAI), the earnings per share for all the reporting periods including the previous quarter and year ended 31st March 2004 have been reworked as if the bonus shares were in existence during the said periods.
- At the Extraordinary General Meeting held on 27th December 2004, the shareholders of the Bank approved by way of a special resolution, the issue of 33,00,000 equity shares on a preferential basis to the sub accounts of M/s. Warburg Pincus International LLC, a Foreign Institutional Investor (FII) registered as such with SEBI (M/s. Madison Holding Ltd – 16,50,000 equity shares and M/s. Melany Holdings Limited – 16,50,000 equity shares) at a price of Rs. 230/= per share (including a premium of Rs. 220/= per share). These shares were allotted on 18th February 2005 consequent to the approval of the issue by the Reserve Bank of India.

8. At the aforesaid meeting on 27th December 2004, the shareholders also approved by way of a special resolution increase in the ceiling limit of total holdings of FIs/ SEBI approved sub accounts of FIs in the equity share capital of the Bank from 24% to 30%, which was approved by the Reserve Bank of India on 17th March 2005.
9. During the quarter, the Bank allotted 78,000 (during the year 958,000) equity shares to employees consequent to the exercise of employee stock options by them. As on 31st March 2005, the stock options outstanding are 8,63,900.
10. During the year, the Bank has raised Rs. 8,370 lakhs of Bonds eligible to be classified as Tier II Capital and the same has been considered for arriving at the capital adequacy as on 31st March 2005.
11. During the year, share issue expenses amounting to Rs. 78.06 lakhs have been charged off to the Share Premium account as allowed under Section 78 of the Companies Act, 1956.
12. 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 organisation 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 has been established to arrive at interest cost on the borrowings of the segments.

13. Till December 2004, for the purposes of consolidation, in respect of subsidiaries incorporated outside India, the accounts of such entities was considered with a three month lag, since the annual audited accounts for such entities was for the calendar year ended December. From and for the quarter ended March 2005, the accounting period of the subsidiaries incorporated outside India are synchronised with that of the parent. Hence, the figures for the quarter ended 31st March 2005 have the effect of six months and for the year ended March 2005 have the effect of fifteen months of financial information of such subsidiaries incorporated outside India.
14. The Bank has declared a dividend of 12.5% for the year ended 31st March 2005 and the dividend will be paid after approval of the shareholders at the Annual General Meeting.
15. The Board of Directors of the Bank has approved issue of bonus shares in the ratio of 3 equity shares for every 2 shares held subject to approval of the shareholders at the Annual General Meeting.
16. Status of shareholder complaints received during the quarter ended 31st March 2005:

Total complaints pending as at 31 st December 2004	Nil
Total complaints received during the quarter ended 31 st March 2005	150
Total complaints resolved during the quarter ended 31 st March 2005	150
Total complaints pending as at 31 st March 2005	Nil

17. Figures for the previous period/ year have been regrouped wherever necessary to conform to current year's presentation.



18. The above results were taken on record at the Audit Committee meeting and at the meeting of the Board of Directors held on 7th June 2005.

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

Mumbai, 7th June 2005

Dipak Gupta
Executive Director