



KOTAK MAHINDRA BANK LIMITED (CONSOLIDATED)

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

UNAUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 2004

Rs. Lakhs

Sr No	Particulars	Nine Months Ended	Quarter Ended		Year Ended	
			Dec-03 (Unaudited)	Mar-04 (Unaudited)	Mar-03 (Unaudited)	Mar-04 (Unaudited)
1	Interest earned (a+b+c+d)	44,195.72	19,429.14	12,441.65	63,624.86	45,420.89
	(a) Interest/discount on advances/bills	32,625.18	13,563.56	10,267.70	46,188.74	38,160.03
	(b) Income on investments	8,472.57	4,217.59	1,363.26	12,690.16	4505.29
	(c) Interest on balances with RBI & other banks	570.24	471.34	156.26	1,041.58	637.10
	(d) Others	2,527.73	1,176.65	654.43	3,704.38	2,118.47
2	Other Income (Refer Notes 3)	33,104.09	20,044.68	6,630.21	53,148.77	25,679.51
	(A) Total income (1+2)	77,299.81	39,473.82	19,071.86	116,773.63	71,100.40
3	Interest expended	18,928.78	6,397.02	5,225.80	25,325.80	20,381.92
4	Operating expenses (e+f)	35,921.56	21,359.37	10,693.16	57,280.93	34,161.22
	(e) Payments to and Provisions for employees	10,976.48	4,902.40	3,362.66	15,878.88	10,352.83
	(f) Other Operating expenses	24,945.08	16,456.97	7,330.50	41,402.05	23,808.39
	(B) Total expenditure (3+4)	54,850.34	27,756.39	15,918.96	82,606.73	54,543.14
	(C) Operating Profit (A-B)	22,449.47	11,717.43	3,152.90	34,166.90	16,557.26
	(D) Other provisions & contingencies (Refer Notes 2 and 3)	746.47	312.39	1,134.86	1,058.86	2,361.68
	(E) Profit before tax	21,703.00	11,405.04	2,018.04	33,108.04	14,195.58
	(F) Provision for taxes	8,939.07	4,091.93	1,328.74	13,031.00	6,377.22
	(G) Profit after tax before Minority Interest (E - F)	12,763.93	7,313.11	689.30	20,077.04	7,818.36
	(H) Less: Share of Minority Interest	1,648.19	1,226.33	(211.39)	2,874.52	721.04
	(I) Add: Share in Profit of associates	108.39	133.49	15.28	241.88	234.19
	Consolidated Profit after tax attributable to the Group (G - H + I)	11,224.13	6,220.27	915.97	17,444.40	7,331.51
5	Paid Up Equity Capital - (face value of Rs. 10 per share)	5,952.28	5,953.28	5,921.28	5,953.28	5,921.28
6	Group Reserves (excluding minority interest)				117,385.74	99,636.03
7	Minority Interest				32,110.92	27,367.72
8	Analytical Ratios					
	(i) Earnings per share Basic Rs.	18.94	10.45	1.55	29.40	12.38
	(ii) Earnings per Share Diluted Rs.	18.71	10.35	1.55	29.05	12.38



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 2004

Rs. Lakhs

Sr No	Particulars	Nine Months Ended	Quarter Ended		Year Ended	
		Dec-03 (Unaudited)	Mar-04 (Unaudited)	Mar-03 (Unaudited)	Mar-04 (Audited)	Mar-03 (Audited)
1	Interest earned (a+b+c+d)	19,276.56	9,565.19	5,526.34	28,841.75	18,118.43
	(a) Interest/discount on	14,349.76	6,702.75	4,767.29	21,052.51	16,968.48
	(b) Income on investments	4,663.68	2,543.83	751.35	7,207.51	1,091.71
	(c) Interest on balances with RBI & other banks	213.67	292.28	6.67	505.95	18.79
	(d) Others	49.45	26.33	1.03	75.78	39.45
2	Other Income (Refer Note 3)	7,421.96	2,127.12	2,482.90	9,549.08	7,214.03
	(A) Total income (1+2)	26,698.52	11,692.31	8,009.24	38,390.83	25,332.46
3	Interest expended	8,897.32	2,885.86	2,436.88	11,783.18	8,682.97
	Operating expenses (e+f)	8,740.40	5,215.64	2,538.34	13,956.04	7,691.49
	(e) Payments to and Provisions for employees	2,815.44	1,477.73	752.50	4,293.17	2,080.03
	(f) Other Operating expenses	5,924.96	3,737.91	1,785.84	9,662.87	5,611.46
	(B) Total expenditure (3+4)	17,637.72	8,101.50	4,975.22	25,739.22	16,374.46
	(C) Operating Profit (A-B)	9,060.80	3,590.81	3,034.02	12,651.61	8,958.00
	(D) Other provisions & contingencies (Refer Notes 2 and 3)	226.19	346.87	1,322.71	573.06	1,956.75
	(E) Profit before tax	8,834.61	3,243.94	1,711.31	12,078.55	7,001.25
	(F) Provision for taxes	3,021.00	1,184.79	705.17	4,205.79	2,505.17
	(G) Profit after tax (E - F)	5,813.61	2,059.15	1,006.14	7,872.76	4,496.08
5	Paid Up Equity Capital - (face value Rs. 10 per share)	5,952.28	5,953.28	5,921.28	5,953.28	5,921.28
6	Reserves excluding revaluation		54,612.82	48,223.91	54,612.82	48,223.91
7	Analytical Ratios					
	(i) % of shares held by Govt. of India	Nil	Nil	Nil	Nil	Nil
	(ii) % Capital adequacy ratio	13.89%	15.25%	25.97%	15.25%	25.97%
	(iii) Earnings per share Basic Rs.	9.81	3.46	1.70	13.27	7.59
	(iv) Earnings per Share Diluted Rs.	9.69	3.43	1.70	13.11	7.59
8	Non Promoter Shareholding					
	(i) No of shares.	23,223,865	23,247,762	22,793,523	23,247,762	22,793,523
	(ii) % of shareholding	39.02%	39.05%	38.49%	39.05%	38.49%

SEGMENT RESULTS
Rs. Lakhs

Sr No	Particulars	Nine Months Ended	Quarter Ended		Year Ended	
		Dec-03 (Unaudited)	Mar-04 (Unaudited)	Mar-03 (Unaudited)	Mar-04 (Audited)	Mar-03 (Audited)
1	Segment Revenue (Standalone)					
	Retail Lending activities	12,841.67	6,080.87	5,566.04	18,922.54	17,534.84
	Corporate Banking	3,078.34	3,142.67	383.24	6,221.01	1,643.24
	Treasury	10,531.20	2,345.83	-	12,877.03	-
	Retail Liabilities and Branch banking	344.61	463.00	-	807.61	-
	Corporate Centre	5,069.62	1,630.16	2,059.96	6,699.78	6,154.38
	Total	31,865.44	13,662.53	8,009.24	45,527.97	25,332.46
	Less: Inter segment revenue	5,166.92	1,970.22		7,137.14	
	Total Revenue	26,698.52	11,692.31	8,009.24	38,390.83	25,332.46
2	Segment Results (Standalone)					
	Retail Lending activities	4,555.73	1,627.24	1,943.44	6,182.97	5,488.85
	Corporate Banking	746.05	1,626.48	(30.00)	2,372.53	313.00
	Treasury	1,971.80	(278.85)	-	1,692.95	-
	Retail Liabilities and Branch banking	(2,994.61)	(1,197.13)	-	(4,191.74)	-
	Corporate Centre	4,681.35	1,340.49	(201.42)	6,021.84	1,408.39
	Total	8,960.32	3,118.23	1,712.02	12,078.55	7,210.24
	Less: Un - allocable expenditure net off Unallocated Income	125.71	(125.71)	0.71	0.00	208.99
	Profit Before Tax	8,834.61	3,243.94	1,711.31	12,078.55	7,001.25
3	Segment Assets (Standalone)					
	Retail Lending activities	154,034.60	181,754.56	163,795.57	181,754.56	163,795.57
	Corporate Banking	183,294.76	322,593.59	11,764.54	322,593.59	11,764.54
	Treasury	121,278.03	173,617.68	-	173,617.68	-
	Retail Liabilities and Branch banking	78,362.61	155,981.23	-	155,981.23	-
	Corporate Centre	55,925.41	55,831.75	41,239.86	55,831.75	41,239.86
	Total	592,895.41	889,778.81	216,799.97	889,778.81	216,799.97
	Less: Inter segment assets	168,064.37	308,875.84	2,566.00	308,875.84	2,566.00
	Total Assets	424,831.04	580,902.97	214,233.97	580,902.97	214,233.97
4	Segment Liabilities (Standalone)					
	Retail Lending activities	137,245.76	163,375.12	145,145.60	163,375.12	145,145.60
	Corporate Banking	181,270.37	318,945.14	10,414.51	318,945.14	10,414.51
	Treasury	124,560.40	177,177.83	-	177,177.83	-
	Retail Liabilities and Branch banking	84,089.41	162,912.84	-	162,912.84	-
	Corporate Centre	5,725.06	7,529.13	7,736.47	7,529.13	7,736.47
	Total	532,891.00	829,940.06	163,296.58	829,940.06	163,296.58
	Less: Inter segment Liabilities	168,064.37	308,875.84	2,566.00	308,875.84	2,566.00
	Total Liabilities	364,826.63	521,064.22	160,730.58	521,064.22	160,730.58
5	Unallocated Assets net off Liabilities	109.39	792.48	643.33	792.48	643.33

NOTES:

- In terms of the master circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to the advances portfolio dated 4th July 2002 issued by RBI, banks have to adopt the 90 days overdue norm for classification of an advance as NPA with effect from 31st March 2004. The Bank has adopted the same from 1st April 2003.
- Provisions and contingencies are net of recoveries made against accounts which have been written off as bad in the previous year/s.
- During the period April to March 2004, the Bank has sold its investments in Fasel Limited. The loss on sale of these investments amounting to Rs. 1156.28 lakhs which was already provided for as diminution for investments in the financial year ended 31st March 2003, has been adjusted against the said provision. Consequently, the figures of "other income" (point 2) and "provisions and contingencies" (point D) are excluding the loss on such sale and provision written back on the same.
- During the period, the Bank has revised the estimated useful life of vehicles from 3 years to 4 years. Consequent to the same, the depreciation for the period January to March 04 and for the period April to March 04 are lower by Rs. 2.60 lakhs and Rs. 18.62 lakhs respectively with profit before tax for the said period higher by similar amounts.
- Upto the financial year ended 31st March, 2003, brokerage expenses and service charges received in respect of advances were accounted for, by using the internal rate of return method to provide a constant periodic rate of return over the period of the advance. From the financial year ended 31st March, 2004, the Bank has revised its policy 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. Consequent to this change, the profit before tax for the quarter January to March 2004 and for the year April 2003 to March 2004 is lower by Rs. 297.90 lakhs {net of brokerage expenses of Rs. 828.44 lakhs part of other operating expenses – para 4(e) and service charges income of Rs. 530.54 lakhs – part of interest / discount on advances/ bills – para 1 (a)}.
- Details of other income forming part of the Consolidated unaudited results are as follows :

Rs. Lakhs

Sr No	Particulars	Nine Months Ended	Quarter Ended		Year Ended	
		Dec-03 (Unaudited)	Mar-04 (Unaudited)	Mar-03 (Unaudited)	Mar-04 (Unaudited)	Mar-03 (Audited)
1	Commission, Fees, Exchange and brokerage	17,437.48	9,603.21	2,898.10	27,040.69	12,745.00
2	Premium on insurance business	6,660.93	8,154.65	1,642.79	14,815.58	3,988.60
3	Profit on sale of investments	8,061.21	1,568.70	1,497.03	9,629.91	6,455.96
4	Others	944.47	718.12	592.20	1,662.59	2,489.95
	Total - Other income	33,104.09	20,044.68	6,630.21	53,148.77	25,679.51

- The Bank was operating as a Non Banking Finance Company (NBFC) till 21st March 2003. The segment reporting was based on the classification of business segments when it was a NBFC. Consequent to becoming a Bank, it has adopted the segment reporting required as a bank. As a result of the same, segment information for the current period/ year may not be strictly comparable with that of the previous year.
- 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. A sub segment "Small and Medium Enterprises" attached to the Retail Lending segment has been merged with the Corporate Banking segment with effect from 1st October 2003. Consequently the financial information related to the said segments has been reclassified for the reporting periods.

9. The Bank has declared a dividend of 24% for the year ended 31st March 2004 and the dividend will be paid after approval of the shareholders at the Annual General Meeting.
10. The Board of Directors of the Bank has approved issue of bonus shares in the ratio of one share for every share held subject to approval of the shareholders at the Annual General Meeting.
11. Status of shareholder complaints received during the quarter ended 31st March 2004 :

Total complaints pending as at 31 st December 2003	Nil
Total complaints received during the quarter ended 31 st March 2004	174
Total complaints resolved during the quarter ended 31 st March 2004	174
Total complaints pending as at 31 st March 2004	Nil

12. During the quarter ended 31st March 2004, the Bank allotted 10,000 equity shares (during the year April 03 to March 2004 3,20,000 equity shares) to employees of the bank/ subsidiaries, pursuant to exercise of options.
13. 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 Delhi Stock Exchange Associated Ltd. effective 10th December 2003 and The Stock Exchange – Ahmedabad effective 20th January 2004.
14. Figures for the previous period/ year have been regrouped wherever necessary to conform to current year's presentation.
15. The Board took on record the above results at the meeting held on 25th May 2004.

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

Mumbai, 25th May 2004

Dipak Gupta
Executive Director