



KOTAK MAHINDRA BANK LIMITED (CONSOLIDATED)

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

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31st MARCH, 2008

Rs Million

Sr No	Particulars	Nine Months Ended	Quarter Ended		Year Ended	
		Dec-07 (Unaudited)	Mar-08 (Unaudited)	Mar-07 (Unaudited)	Mar-08 (Audited)	Mar-07 (Audited)
1	Interest earned (a+b+c+d)	25,441.44	11,042.44	6,227.99	36,483.88	19,820.30
	(a) Interest/discount on advances/bills	18,213.71	7,863.14	4,611.39	26,076.85	14,811.71
	(b) Income on investments	5,968.71	2,619.19	1,325.16	8,587.90	4,060.17
	(c) Interest on balances with RBI & other banks	662.78	240.93	153.60	903.71	489.41
	(d) Others	596.24	319.18	137.84	915.42	459.01
2	Other income (see Notes 2 and 5)	31,427.39	7,582.64	8,004.78	39,010.03	23,119.23
3	Total income (1+2)	56,868.83	18,625.08	14,232.77	75,493.91	42,939.53
4	Interest expended	13,484.68	4,680.09	3,091.09	18,164.77	9,770.57
5	Operating expenses (a+b)	30,523.23	9,096.52	8,264.74	39,619.75	23,857.07
	(a) Payments to and Provisions for employees	8,740.83	3,238.09	1,956.87	11,978.92	6,880.85
	(b) Other operating expenses (see Note 3 and 5)	21,782.40	5,858.43	6,307.87	27,640.83	16,976.22
6	Total expenditure (4+5) (excluding provisions and contingencies)	44,007.91	13,776.61	11,355.83	57,784.52	33,627.64
7	Operating Profit before provisions and contingencies (3-6)	12,860.92	4,848.47	2,876.94	17,709.39	9,311.89
8	Provisions (other than tax) and contingencies (see Note 1)	2,221.24	1,409.03	576.94	3,630.27	1,524.97
9	Exceptional Items	-	-	-	-	-
10	Profit from Ordinary Activities before tax (7-8-9)	10,639.68	3,439.44	2,300.00	14,079.12	7,786.92
11	Tax expense (see Note 6)	3,461.15	1,030.71	657.46	4,491.86	2,542.12
12	Profit from Ordinary activities after tax before Minority Interest (10 – 11)	7,178.53	2,408.73	1,642.54	9,587.26	5,244.80
13	Extraordinary items (net of tax expense)	-	-	-	-	-
14	Profit from Ordinary activities after tax before Minority Interest (12 – 13)	7,178.53	2,408.73	1,642.54	9,587.26	5,244.80
15	Less: Share of Minority Interest	(193.92)	7.04	(26.28)	(186.88)	6.64
16	Add: Share in Profit of associates	138.82	(0.69)	34.48	138.13	144.26
17	Profit after tax (14-15+16)	7,511.27	2,401.00	1,703.30	9,912.27	5,382.42
18	Paid Up Equity Capital - (Face Value of Rs. 10 per share)	3,442.11	3,446.73	3,261.56	3,446.73	3,261.56
19	Group Reserves (excluding Minority Interest)		54,792.34	29,068.59	54,792.34	29,068.59
20	Minority Interest				512.33	309.40
21	Analytical Ratios					
	(i) Earnings per Share (before and after extraordinary items)					
	(a) Basic (not annualized) Rs.	22.66	6.97	5.22	29.62	16.60
	(b) Diluted (not annualized) Rs.	22.33	6.86	5.18	29.18	16.47
	(ii) NPA Ratios					
	(a) Gross NPA	5,373.05	5,671.94	3,772.32	5,671.94	3,772.32
	(b) Net NPA	3,326.60	3,626.66	2,968.61	3,626.66	2,968.61
	(c) % of Gross NPA/ Gross Advances	2.48	2.56	2.41	2.56	2.41

(d) % of Net NPA/ Net Advances	1.55	1.65	1.91	1.65	1.91
(e) % of Gross NPA/ Gross Advances (excluding NPAs acquired from other banks/ NBFCs)	0.87	0.85	0.46	0.85	0.46
(f) % of Net NPA/ Net Advances (excluding NPAs acquired from other banks/ NBFCs)	0.33	0.33	0.17	0.33	0.17
(iii) Return on Assets (average) (not annualised)	0.92	0.59	0.64	2.87	2.31

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. Million

Particulars	Nine Months Ended	Quarter Ended		Year Ended	
	Dec-07 (Unaudited)	Mar-08 (Unaudited)	Mar-07 (Unaudited)	Mar-08 (Audited)	Mar-07 (Audited)
Commission, Fees, Exchange and brokerage	12,691.27	4,071.61	2,970.11	16,762.88	10,527.70
Premium on insurance business	8,642.33	7,977.57	4,581.32	16,619.90	9,504.61
Profit on sale of investments incl. revaluation (insurance business)	5,842.09	(4,307.21)	(303.21)	1,534.88	553.30
Profit on sale of investments incl. revaluation (other than insurance business)	2,245.61	(385.42)	303.13	1,860.19	1,131.67
Others	2,006.09	226.09	453.43	2,232.18	1,401.95
Total – Other income	31,427.39	7,582.64	8,004.78	39,010.03	23,119.23

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

Rs. Million

Particulars	Nine Months Ended	Quarter Ended		Year Ended	
	Dec-07 (Unaudited)	Mar-08 (Unaudited)	Mar-07 (Unaudited)	Mar-08 (Audited)	Mar-07 (Audited)
Policy holders' reserves, surrender expense and claims	12,510.40	1,733.41	3,363.90	14,243.81	8,101.95
Brokerage	1,599.91	948.88	565.54	2,548.79	1,723.26
Depreciation	691.22	295.45	212.48	986.67	736.84
Rent, taxes and lighting	1,067.53	437.84	239.38	1,505.37	821.56
Others	5,913.34	2,442.85	1,926.57	8,356.19	5,592.61
Total – Other operating expenses	21,782.40	5,858.43	6,307.87	27,640.83	16,976.22

- The consolidated financial results are prepared in accordance with Accounting Standard – 21, "Consolidated Financial Statements " and (AS) - 23 " Accounting for investment in associates in consolidated financial statement " issued by The Institute of Chartered Accountants of India.
- Other income in the consolidated results for the reporting periods is net of sub-brokerage paid in the broking subsidiary amounting to Rs. 439.31 million for the quarter ended 31st March, 2008 (for the quarter ended 31st March 2007 Rs 177.75 million) and for year ended 31st March, 2008 Rs. 1,290.76 million (for the year ended 31st March, 2007 Rs. 583.46 million).
- Provision for taxes (net of deferred tax) for the quarter ended 31st March, 2008, includes Fringe Benefit Tax provision amounting to Rs. 31.93 million (for the quarter ended 31st March, 2007 Rs. 21.53 million) and for year ended 31st March, 2008 Rs. 125.95 million (for the year ended 31st March, 2007 Rs. 84.60 million).



7. Figures for the previous period/ year have been regrouped wherever necessary to conform to current period's presentation.
8. The above results were taken on record at the Audit Committee meeting and at the meeting of the Board of Directors held on 9th May, 2008.



KOTAK MAHINDRA BANK LIMITED (STANDALONE)

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

Rs Million

Sr No	Particulars	Period Ended	Quarter Ended			Year ended	
			Dec-07 (Unaudited)	Mar-08 (Unaudited)	Mar-07 (Unaudited)	Mar-08 (Audited)	Mar-07 (Audited)
1	Interest earned (a+b+c+d)	17,716.95	7,636.70	4,245.40	25,353.65	13,191.05	
	(a) Interest/ discount on advances/ bills	12,619.68	5,400.80	3,195.66	18,020.48	10,037.87	
	(b) Income on investments	4,888.46	2,194.66	931.81	7,083.12	2,808.36	
	(c) Interest on balances with RBI & other banks	151.57	28.84	113.20	180.41	331.22	
	(d) Others	57.24	12.40	4.73	69.64	13.60	
2	Other Income	4,241.12	393.51	965.28	4,634.63	3,186.54	
3	Total income (1+2)	21,958.07	8,030.21	5,210.68	29,988.28	16,377.59	
4	Interest expended	9,366.75	3,728.88	2,288.83	13,095.63	6,992.40	
5	Operating Expenses (i)+(ii)	7,583.15	2,610.59	1,962.48	10,193.74	6,127.07	
	(i) Employees cost	3,801.22	1,038.27	771.80	4,839.49	2,696.97	
	(ii) Other Operating expenses	3,781.93	1,572.32	1,190.68	5,354.25	3,430.10	
6	Total expenditure (4+5) excluding provisions and contingencies	16,949.90	6,339.47	4,251.31	23,289.37	13,119.47	
7	Operating Profit before provisions and contingencies (3-6)	5,008.17	1,690.74	959.37	6,698.91	3,258.12	
8	Provisions (other than tax) & Contingencies	1,846.19	874.91	503.98	2,721.10	1,225.66	
9	Exceptional Items	-	-	-	-	-	
10	Profit / Loss from Ordinary Activities before tax (7-8-9)	3,161.98	815.83	455.39	3,977.81	2,032.46	
11	Provision for taxes	914.73	123.75	82.80	1,038.48	618.80	
12	Net Profit / Loss from Ordinary Activities after tax (10-11)	2,247.25	692.08	372.59	2,939.33	1,413.66	
13	Extraordinary items (net of tax expense)	-	-	-	-	-	
14	Net Profit / Loss for the Period (12-13)	2,247.25	692.08	372.59	2,939.33	1,413.66	
15	Paid Up Equity Capital - (Face Value Rs. 10 per share)	3,442.11	3,446.73	3,261.56	3,446.73	3,261.56	
16	Reserves excluding revaluation reserves		31,908.22	13,073.43	31,908.22	13,073.43	
17	Analytical Ratios						
	(i) % of shares held by Govt. of India	Nil	-	-	-	-	
	(ii) % Capital adequacy ratio	18.40%	18.65%	13.46%	18.65%	13.46%	
	(iii) Earnings Per Share (EPS) for the period						
	- Basic Rs.	6.78	2.01	1.14	8.78	4.36	
	- Diluted Rs.	6.68	1.98	1.13	8.65	4.33	
	(iv) NPA Ratios						
	a) Gross Non-performing assets	4,267.19	4,530.80	2,821.29	4,530.80	2,821.29	
	b) Net Non-performing assets	2,451.54	2,761.60	2,168.03	2,761.60	2,168.03	
	c) % of Gross NPA to Gross Advances	2.88	2.88	2.57	2.88	2.57	
	d) % of Net NPA to net Advances	1.68	1.78	1.98	1.78	1.98	
	e) % of Gross NPA to Gross Advances (excluding NPAs acquired from other banks and NBFCs)	1.08	0.99	0.52	0.99	0.52	



Sr No	Particulars	Period Ended	Quarter Ended		Year ended	
			Dec-07 (Unaudited)	Mar-08 (Unaudited)	Mar-07 (Unaudited)	Mar-08 (Audited)
	f) % of Net NPA to net Advances (excluding NPAs acquired from other banks and NBFCs)	0.39	0.38	0.18	0.38	0.18
	g) Return on Assets (Average) – Not Annualized	0.92%	0.21%	0.19%	1.10%	0.94%
18	Public Shareholding					
	(i) No. of shares	163,071,518	163,532,523	144,851,266	163,532,523	144,851,266
	(ii) % of shareholding	47.38%	47.45%	44.41%	47.45%	44.41%

Segment Results

From the year ended 31st March, 2008, the Bank has adopted RBI's revised guidelines issued in April 2007 on segment reporting in terms of which the reportable segments are as under:

Segment	Principal activity
Treasury	Money market, forex market, derivatives, investments and primary dealership of government securities.
Retail Banking	Includes: 1. Commercial vehicle finance, personal loans, home loans, agriculture finance and other loans/services which fulfil the four criteria of orientation, product, granularity and low value of individual exposures for retail exposures laid down in Basel Committee on Banking Supervision document "International Convergence of Capital Measurement and Capital Standards : A Revised Framework". 2. Retail borrowings covering savings and current accounts and Branch Banking network and services, including distribution of financial products.
Corporate/Wholesale Banking	Wholesale borrowings and lendings and other related services to the corporate sector which are not included under retail banking
Other Banking business	Management of Venture capital and private equity fund (upto 30 th Sept., 2007)

Summary of the operating segments of the Bank for the quarter and year ended March 31, 2008 are as given below:
Rs Million

Sr No		Quarter ended	Year ended
		31 st March, 2008	31 st March, 2008
1	Segment Revenue		
	a. Treasury	1,346.66	7,436.50
	b. Corporate/ Wholesale Banking	2,887.08	9,549.87
	c. Retail Banking:		
	(i) Lending	4,290.60	14,586.53
	(ii) Branch banking	1,930.71	6,450.88
	Sub-total	6,221.31	21,037.41
	d. Other Banking business	-	91.17
	Sub-total	10,455.05	38,114.95
	Less : Inter-segmental revenue	2,433.80	8,174.42
	Add : Unallocated Income	8.96	47.75
	Total	8,030.21	29,988.28
2	Segment Results		
	a. Treasury	(829.00)	(58.26)
	b. Corporate/ Wholesale Banking	918.91	3,336.30
	c. Retail Banking:		
	(i) Lending	827.85	2,089.69
	(ii) Branch banking	(110.89)	(1,466.83)

	Sub-total	716.96	622.86
	d. Other Banking business	-	29.16
	Sub-total	806.87	3,930.06
	Add : Unallocated Income	8.96	47.75
	Total Profit Before Tax	815.83	3,977.81
3	Segment Assets		
	a. Treasury	118,346.11	118,346.11
	b. Corporate/ Wholesale Banking	82,163.31	82,163.31
	c. Retail Banking:		
	(i) Lending	115,809.62	115,809.62
	(ii) Branch banking	79,965.11	79,965.11
	Sub-total	195,774.74	195,774.74
	d. Other Banking business		
	Sub-total	396,284.15	396,284.15
	Less: Inter-segmental Assets	114,579.24	114,579.24
	Total	281,704.91	281,704.91
4	Segment Liabilities		
	a. Treasury	104,626.58	104,626.58
	b. Corporate/ Wholesale Banking	66,599.73	66,599.73
	c. Retail Banking:		
	(i) Lending	108,812.54	108,812.54
	(ii) Branch banking	81,424.26	81,424.26
	Sub-total	190,236.80	190,236.80
	d. Other Banking business		
	Sub-total	361,463.11	361,463.11
	Less: Inter-segmental Liabilities	114,579.24	114,579.24
	Total	246,883.87	246,883.87
5	Unallocated Assets net of Liabilities	534.13	534.13

In order to facilitate comparison, given below is the summary of the operating segments of the Bank for the quarter and year ended 31st March, 2007 in accordance with Accounting Standard 17 (AS-17) on Segment Reporting issued by the Institute of Chartered Accountants of India & the comparative numbers for the quarter and year ended 31st March, 2008:

Rs Million

Sr No		Quarter ended		Year ended	
		31 st March, 2008	31 st March, 2007	31 st March, 2008	31 st March, 2007
1	Segment Revenue				
	a. Lending	5,214.30	3,204.36	17,434.73	9,164.40
	b. Corporate Banking	1,731.48	1,048.09	6,701.68	3,741.87
	c. Treasury & Investments	1,346.67	1,265.40	7,436.49	4,084.85
	d. Retail Liabilities	1,930.71	1,093.82	6,450.88	3,621.71
	e. Venture Fund Management	-	45.36	91.17	178.37
	Sub-total	10,223.16	6,657.03	38,114.95	20,791.20
	Less : Inter-segmental revenue	2,201.91	1,446.61	8,174.42	4,413.87
	Add : Unallocated Income	8.96	0.26	47.75	0.26
	Total	8,030.21	5,210.68	29,988.28	16,377.59
2	Segment Results				
	a. Lending	1,201.14	476.17	3,399.54	1,124.05
	b. Corporate Banking	545.62	193.66	2,026.45	1,016.54
	c. Treasury & Investments	(829.00)	(12.97)	(58.26)	236.05
	d. Retail Liabilities	(110.89)	(219.17)	(1,466.83)	(423.26)
	f. Venture Fund Management	-	17.44	29.16	78.82
	Total	806.87	455.13	3,930.06	2,032.20
	Add : Unallocated Income	8.96	0.26	47.75	0.26
	Total Profit Before Tax	815.83	455.39	3,977.81	2,032.46

3	Segment Assets				
	a. Lending	132,541.34	86,884.75	132,541.34	86,884.75
	b. Corporate Banking	65,431.59	44,333.17	65,431.59	44,333.17
	c. Treasury & Investments	118,346.11	93,213.33	118,346.11	93,213.33
	d. Retail Liabilities	79,965.11	48,816.22	79,965.11	48,816.22
	e. Venture Fund Management	-	77.19	-	77.19
	Sub-total	396,284.15	273,324.66	396,284.15	273,324.66
	Less: Inter-segmental Assets	114,579.24	74,873.91	114,579.24	74,873.91
	Total	281,704.91	198,450.75	281,704.91	198,450.75
4	Segment Liabilities				
	a. Lending	110,189.35	78,418.58	110,189.35	78,418.58
	b. Corporate Banking	65,222.92	40,956.63	65,222.92	40,956.63
	c. Treasury & Investments	104,626.58	88,492.59	104,626.58	88,492.59
	d. Retail Liabilities	81,424.26	49,264.42	81,424.26	49,264.42
	e. Venture Fund Management	-	6.32	-	6.32
	Sub-total	361,463.11	257,138.54	361,463.11	257,138.54
	Less: Inter-segmental Liabilities	114,579.24	74,873.91	114,579.24	74,873.91
	Total	246,883.87	182,264.63	246,883.87	182,264.63
5	Unallocated Assets net of Liabilities	534.13	148.87	534.13	148.87

- During the quarter, the Bank has not granted any options under employee stock options scheme. 461,505 options were exercised by the employees during the quarter and the stock options outstanding with employees of the Bank and its subsidiaries as at 31st March, 2008 are 9,836,352.
- During the quarter, 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 116.64 million. The total investment made by the Bank in Kotak Life as on 31st March, 2008 is Rs 2,449.39 million.
- Provision for taxes (net of deferred tax) for the year ended 31st March, 2008 includes fringe benefit tax provision amounting to Rs. 55 million (Rs. 35 million for year ended 31st March, 2007) and Rs 15 million for the quarter ended 31st March, 2008 (Rs. 10 million for the quarter ended 31st March 2007).
- The Reserve Bank of India (RBI) issued a clarifications dated 11th July, 2007 requiring banks to reflect amortization of premia on investments in the Held to Maturity (HTM) category under interest income from investments. This was hitherto classified under "Other Income". Accordingly the Bank has reclassified the same for the quarter and year ended 31st March, 2008 and all previous periods wherever necessary. On account of the said reclassification, net interest income is now lower by Rs 163.25 million for the quarter ended 31st March 2008 (corresponding previous quarter Rs 90.62 million) and Rs 414.25 million for year ended 31st March 2008 (corresponding previous year Rs 349.98 million) and Rs 251.0 million for the nine months ended 31st December, 2007.
- Status of shareholder complaints received during the quarter ended 31st March, 2008:

Total complaints pending as at 31 st December 2007	NIL
Total complaints received during the quarter ended 31 st March, 2008	22
Total complaints resolved during the quarter ended 31 st March, 2008	22
Total complaints pending as at 31 st March, 2008	NIL

- Provisions and contingencies are net of recoveries made against accounts which have been written off as bad in the previous period/year.
- Figures for the previous period/ year have been regrouped wherever necessary to conform to current period's presentation.



8. The Bank has declared a dividend of 7.5% (previous year 7%) for the year ended 31st March, 2008. The bank is obliged to pay dividend to these shareholders whose names are appearing in the register of members as on the book closure date. The dividend will be paid after the approval of shareholders at the Annual General Meeting.
9. The above results were taken on record at the Audit Committee meeting and at the meeting of the Board of Directors held on 9th May, 2008.

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

Dipak Gupta
Executive Director

Mumbai, 9th May, 2008