

Audited financial results for the quarter and year ended March 31, 2003
(Rs in lacs)

	Particulars	Results for the quarter ended 31/03/2003	Results for the quarter ended 31/03/2002	Results for the year ended 31/03/2003	Results for the year ended 31/03/2002
1	Interest earned (a) + (b) + (c) + (d)	55722	46203	202297	170299
a	Interest / discount on advances / bills	22613	16164	78668	62393
b	Income on investments	30666	24048	111295	86397
c	Interest on balances with Reserve Bank of India and other inter bank funds	2363	5952	12044	21396
d	Others	80	39	290	113
2	Other income	12885	10399	47310	33325
A	Total income (1+2)	68607	56602	249607	203624
3	Interest expended	31080	27664	119196	107374
4	Operating expenses (e) + (f)	17152	11860	59183	41795
e	Payment to and provision for employees	4823	2756	15195	10924
f	Other operating expenses	12329	9104	43988	30871
B	Total expenditure (3) + (4) (excluding provisions & contingencies)	48232	39524	178379	149169
C	Operating profit (A – B) (Profit before provisions and contingencies)	20375	17078	71228	54455
D	Other provisions and contingencies	3435	5123	14143	11917
E	Provision for taxes	5278	2931	18325	12834
F	Net profit (C-D-E)	11662	9024	38760	29704
5	Paid up equity share capital (face value Rs. 10)	28205	28137	28205	28137
6	Reserves excluding revaluation reserve	196278	166091	196278	166091
7	Analytical Ratios:				
(i)	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil
(ii)	Capital adequacy ratio	11.12%	13.93%	11.12%	13.93%
(iii)	Earnings per share (par value Rs. 10/- each)				
	Basic	4.13	3.21	13.75	11.01
	Diluted	3.83	2.99	12.79	10.29
8.	Aggregating of non-promoter shareholding				
	Number of shares	213185713	212514613	213185713	212514613
	Percentage of shareholding	75.59%	75.53%	75.59%	75.53%

Segment information in accordance with the Accounting Standard on Segment Reporting (AS17) of the three operating segments of the Bank are:

(Rs in lacs)

	Results for the quarter ended 31/03/2003	Results for the quarter ended 31/03/2002	Results for the year ended 31/03/2003	Results for the year ended 31/03/2002
1.Segment Revenue				
a) Wholesale Banking	45375	43470	179771	160645
b) Retail Banking	52416	41399	193144	148744
c) Treasury	11826	11107	42499	40541
Total	109617	95976	415414	349930
Less: Inter Segment Revenue	41010	39374	165807	146306
Income from Operations	68607	56602	249607	203624
2. Segment Results				
a) Wholesale Banking	6982	5327	27222	20780
b) Retail Banking	5592	4343	14333	10492
c) Treasury	4366	2285	15530	11266
Total Profit Before Tax	16940	11955	57085	42538
3.Capital Employed (Segment assets - Segment liabilities)				
a) Wholesale Banking	715704	752161	715704	752161
b) Retail Banking	(587010)	(632089)	(587010)	(632089)
c) Treasury	96202	78240	96202	78240
Total	224896	198312	224896	198312

Note on segment information

The reportable primary segments have been identified in accordance with the Accounting Standard on Segment Reporting (AS-17) issued by the ICAI.

The Bank operates in three segments: wholesale banking, retail banking and treasury services. Segments have been identified and reported taking into account, the target customer profile, the nature of products and services, the differing risks and returns, the organisation structure and the internal business reporting systems.

Segment revenue includes earnings from external customers plus earnings from funds transferred from one segment to the other based on an internal transfer price. Segment result includes revenue less interest expense (whether to customers or to the lending segment based on the internal transfer price) less operating expense and provisions, if any, for that segment.

Segment-wise income and expenses include certain allocations. Interest income is charged by a segment that provides funding to another segment, based on yields benchmarked to an internally developed composite yield curve which broadly tracks market discovered interest rates. Transaction charges are made by the retail banking segment to the wholesale banking segment for the use by its customers of the retail banking segment's branch network or other delivery channels; such transaction costs are determined on a cost plus basis.

Segment capital employed represents the net assets in that segment. It excludes capital and tax related assets.

NOTES:

1. The above audited results for the quarter and year ended March 31, 2003, have been taken on record by the Board at its meeting held on April 15, 2003.
2. The Board of Directors at their meeting proposed a dividend of Rs 3.00 per share, subject to the approval of the members at the ensuing Annual General Meeting and by Reserve Bank of India. As per the Finance bill, 2003, dividends paid after March 31, 2003 are free of taxation in the hands of the shareholders. This is subject to the Finance bill being enacted by Parliament.
3. The register of members and share transfer books will remain closed from May 03, 2003 to May 29, 2003, both days inclusive. The Annual General Meeting of the company has been scheduled for June 02, 2003.
4. During the quarter and year ended March 31, 2003, the Bank allotted 36,100 and 671,100 shares respectively, pursuant to the exercise of stock options by certain employees. The bank also allotted 1,106,500 shares in April, 2003, in respect of options exercised in the last quarter of 2002-03. These shares would rank pari-passu with the existing shares in all respects.
5. The Reserve Bank of India in its master circular on prudential norms relating to capital adequacy has now capped general loan loss provisions and investment fluctuation reserve at 1.25% of the total risk weighted assets and contingents for inclusion as Tier 2 capital. This is the first time the investment fluctuation reserve has been included in this limit. The bank holds higher levels of general provisions and investment fluctuation reserves which are now therefore, excluded from the Tier 2 capital calculation. But for this ceiling, the total capital adequacy ratio would have been higher by 0.45%.
6. Other income relates to income from non-fund based banking activities including commission, fees, foreign exchange earnings, earnings from derivative transactions and profits from debt securities.
7. As is the market practice, the bank pays commission to sales agents and also receives front-ended subventions from dealers and manufacturers for originating retail loans. The bank has, in line with International Accounting Standards, amortized the commissions paid net of commissions / subventions received, over the tenor of the loans on a yield to maturity basis. Consequently, the net profit after tax for the quarter ended and year ended March 31, 2003 is higher by Rs. 4.79 lacs and by Rs. 17.96 lacs respectively. Had the bank followed the revised accounting policy in the previous year, then the net profit after tax would have been higher by Rs. 1.73 lacs and by Rs. 4.44 lacs respectively for the quarter ended and year ended March 31, 2002.
8. During the year ended March 31, 2003, the total number of branches (including extension counters) and the ATM network increased by 60 branches and 253 ATMs respectively.
9. Previous period figures have been regrouped / reclassified wherever necessary to conform to current periods classification.

Place : Mumbai
Date : April 15, 2003

Aditya Puri
Managing Director

The Board has also taken on record the unaudited results for the year ended March 31, 2003, prepared as per USGAAP. The reconciliation of net incomes as per Indian GAAP and US GAAP is as follows:

(Rs in lacs)		
Particulars	Results for the year ended 31/03/2003	Results for the year ended 31/03/2002
Net profit as per Indian GAAP	38760	29704
Adjustments to:		
Investments	(3026)	(3793)
Loan loss provisions	448	4061
Affiliates	(103)	182
Stock options	(1369)	(898)
Deferred tax	1028	(112)
Others	(600)	440
Net profit as per USGAAP	35138	29584

Note on the reconciliation of net incomes as per Indian GAAP and US GAAP

The net difference between profits computed in accordance with Indian GAAP and US GAAP is primarily due to differences in accounting treatment for amortization of premia on investments held in the “Available for Sale” category, loan loss provisions, deferred stock compensation expense and tax provisions.

Note: (i) Rs. = Indian Rupees
(ii) 10 lacs = 1 million
(iii) All figures and ratios are in accordance with Indian GAAP except where specifically mentioned.

Certain statements in this release which contains words or phrases such as “will”, “remains”, “should”, etc., and similar expressions or variation of these expressions or those concerning our future prospects are forward looking statements. Actual results may differ materially from those suggested by the forward looking statements due to a number of risks or uncertainties associated with the expectations. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy, manage our rapid growth, volatility of interest rates, future levels of non-performing loans, the adequacy of our allowances for investment and credit losses, technological changes, volatility in income from treasury operations, concentrations of funded exposures, our exposure to market risks, as well as other risks detailed in the reports filed with the United State Securities and Exchange Commission. The bank may, from time to time, make additional written and oral forward looking statements, including statements contained in the bank’s filings with the Securities and Exchange Commission and our reports to shareholders. The bank does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the bank.

Balance Sheet as at 31st March 2003

(Rs. lacs)

As at	As at
31-03-2003	31-03-2002

CAPITAL AND LIABILITIES

Capital	28205	28137
Reserves and Surplus	196278	166091
Employees' Stock Options (Grants) Outstanding	691	905
Deposits	2237607	1765381
Borrowings	208465	182302
Subordinated debt	20000	20000
Other Liabilities and Provisions	351162	215922
Total	<u>3042408</u>	<u>2378738</u>

ASSETS

Cash and balances with Reserve Bank of India	208196	121117
Balances with Banks and Money at Call and Short notice	108726	224702
Investments	1338808	1200402
Advances	1175486	681372
Fixed Assets	52858	37110
Other Assets	158334	114035
Total	<u>3042408</u>	<u>2378738</u>