

KOTAK MAHINDRA PRIMUS LIMITED

Balance Sheet as at 30th September, 2004 - Un-audited, Provisional

SOURCES OF FUNDS	Schedule	As at 30th September, 2004		As at 31st March, 2004	
		Rupees	Rupees	Rupees	Rupees
Shareholders' Funds					
Capital	1	29,710,000		29,710,000	
Reserves and Surplus	2	4,665,368,925	4,695,078,925	4,613,103,153	4,642,813,153
Loan Funds					
Unsecured Loans	3		19,621,720,413		17,502,742,067
Deferred Tax	4				
Deferred tax liability		134,143,650		115,711,280	
Less: Deferred tax asset		44,693,437		35,794,557	
			89,450,213		79,916,723
Total			24,406,249,551		22,225,471,943
APPLICATION OF FUNDS					
Fixed Assets	5				
Gross Block		66,550,668		66,455,591	
Less: Depreciation		47,297,703		43,665,181	
Net Block			19,252,965		22,790,410
Investments	6		-		-
Receivables under Auto Finance	7		24,863,695,978		21,940,167,408
Current Assets, Loans and Advances	8				
Sundry Debtors		95,127,774		67,342,181	
Cash and Bank Balances		493,387,577		434,485,168	
Loans and Advances		931,288,622		1,279,804,249	
Properties - held for disposal		14,326,000		14,326,000	
		1,534,129,973		1,795,957,598	
Less: Current Liabilities and Provisions					
Liabilities	9	1,950,834,123		1,484,715,399	
Provisions	10	59,995,242		48,728,074	
		2,010,829,365		1,533,443,473	
Net Current Assets			(476,699,392)		262,514,125
Total			24,406,249,551		22,225,471,943

Mumbai

Dated : October 5, 2004

KOTAK MAHINDRA PRIMUS LIMITED

Profit and Loss Account for the period ended 30th September 2004 - Un-audited, Provisional

	Schedule	Period ended 30th September, 2004 Rupees	Year ended 31st March, 2004 Rupees
INCOME			
Income from Operations	11	1,266,951,084	2,341,006,633
Other Income	12	12,679,701	22,611,352
Total		1,279,630,785	2,363,617,985
EXPENDITURE			
Payments to Employees	13	58,596,046	111,355,021
Interest and Finance charges	14	555,502,490	1,032,890,303
Administrative and other expenses	15	541,636,191	960,558,373
Provisions / Write offs for Non Performing Assets	16	34,771,855	56,761,877
Depreciation		4,656,970	10,156,931
Total		1,195,163,552	2,171,722,505
Profit before tax		84,467,233	191,895,480
Provision for taxation			
Current Tax		22,667,971	32,437,985
Deferred Tax		9,533,490	36,260,181
Taxation adjustment of previous years		-	(3,792,832)
Profit after tax		52,265,772	126,990,146
Profit brought forward from previous year		232,476,738	130,884,622
		284,742,510	257,874,768
Appropriations			
Special Reserve u/s 45 IC of the RBI Act, 1934		-	25,398,030
Surplus carried to Balance Sheet		284,742,510	232,476,738
Total		284,742,510	257,874,768

Mumbai

Dated : October 5, 2004

KOTAK MAHINDRA PRIMUS LIMITED**SCHEDULES FORMING PART OF THE BALANCE SHEET****SCHEDULE 1****CAPITAL****Share Capital
Authorised**

4,000,000 Equity Shares of Rs.10/- each

Issued and Subscribed2,971,000 (Previous year 2,971,000) equity shares
of Rs.10/- each, fully paid

	30th September,2004 Rupees	31st March,2004 Rupees
	40,000,000	40,000,000
	29,710,000	29,710,000
Total	29,710,000	29,710,000

Note :

Of the above :

- i) 1,782,600 (Previous year 1,782,600) shares are held by Kotak Mahindra Bank Limited , the holding company and its nominees.
- ii) 1,971,000 (Previous year 1,971,000) shares are allotted as fully paid up pursuant to conversion of fully convertible debentures.

KOTAK MAHINDRA PRIMUS LIMITED**SCHEDULE FORMING PART OF THE BALANCE SHEET****SCHEDULE 2****RESERVES AND SURPLUS**

Share Premium Account

As per last Balance Sheet

Add : Amount received during the year

Special Reserve u/s 45 IC of the RBI Act, 1934

As per last Balance Sheet

Add : Transferred from Profit and Loss Account

General Reserve

Surplus in Profit and Loss Account

Total

	30th September,2004		31st March,2004
	Rupees	Rupees	Rupees
	4,265,468,000		3,911,673,500
	-		353,794,500
		4,265,468,000	4,265,468,000
	85,649,180		60,251,150
	-		25,398,030
		85,649,180	85,649,180
		29,509,235	29,509,235
		284,742,510	232,476,738
		4,665,368,925	4,613,103,153

KOTAK MAHINDRA PRIMUS LIMITED**SCHEDULE FORMING PART OF THE BALANCE SHEET****SCHEDULE 3**

	30th September,2004		31st March,2004
	Rupees	Rupees	Rupees
UNSECURED LOANS			
Unsecured Non-Convertible Debentures		10,035,000,000	9,580,000,000
Deep Discount Debentures	550,000,000		600,000,000
Less : Discount not written off	1,482,250		11,603,161
		548,517,750	588,396,839
Debentures issued at discount	-		50,000,000
Less : Discount not written off	-		6,247
		-	49,993,753
Debenture Application Money - pending allotment		-	100,000,000
Short Term Loans :			
From Banks		1,741,827,444	1,887,465,072
From Others - Inter Corporate Deposits		-	100,000,000
Commercial Paper	1,850,000,000		650,000,000
Less : Discount not written off	52,818,045		24,795,599
(Maximum amount outstanding during the year Rs.1,850,000,000, Previous year Rs. 650,000,000)		1,797,181,955	625,204,401
Other Loans and Advances:			
From Banks		3,645,000,000	2,375,000,000
From Others		1,678,888,895	2,012,222,225
Hire Purchase / Loan / Lease deposits		175,304,369	184,459,777
(Including matured and unclaimed Rs.4,147,044 Previous year Rs.8,768,681)			
Total		19,621,720,413	17,502,742,067

KOTAK MAHINDRA PRIMUS LIMITED**SCHEDULE FORMING PART OF THE BALANCE SHEET****SCHEDULE 4****DEFERRED TAX****Liabilities**

Depreciation on fixed assets

Brokerage

Assets

Provision for doubtful debts, loans and advances and standard assets

Provison for gratuity

Provision for unencashed leave

Expenses allowable for tax purposes when paid

Total

30th September,2004		31st March,2004
Rupees	Rupees	Rupees
23,691,021		25,173,208
110,452,629		90,538,072
	134,143,650	115,711,280
41,436,420		32,843,022
2,023,565		1,836,441
667,630		581,892
565,822		533,202
	44,693,437	35,794,557
	89,450,213	79,916,723

KOTAK MAHINDRA PRIMUS LIMITED**SCHEDULE FORMING PART OF THE BALANCE SHEET****SCHEDULE 5****FIXED ASSETS****Rupees**

Description	Gross Block				Depreciation				Net Block	
	01-04-2004	Additions	Deductions	30-09-2004	01-04-2004	For the year	Withdrawn	30-09-2004	30-09-2004	31-03-2004
Buildings	1,807,472	-	-	1,807,472	294,700	32,684		327,384	1,480,088	1,512,772
Office Equipment	16,178,976	436,404	-	16,615,380	11,868,841	1,010,537	-	12,879,378	3,736,002	4,310,135
Computers	27,963,692	573,348	-	28,537,040	22,089,023	1,714,724		23,803,747	4,733,293	5,874,669
Furniture & Fixtures	4,418,244	148,663	48,266	4,518,641	3,468,277	197,414	48,266	3,617,425	901,216	949,967
Vehicles	16,087,207	667,759	1,682,831	15,072,135	5,944,340	1,701,611	976,182	6,669,769	8,402,366	10,142,867
Total	66,455,591	1,826,174	1,731,097	66,550,668	43,665,181	4,656,970	1,024,448	47,297,703	19,252,965	22,790,410
Previous year	58,468,436	12,701,330	4,714,175	66,455,591	37,723,346	10,156,931	4,215,096	43,665,181	22,790,410	----

KOTAK MAHINDRA PRIMUS LIMITED**SCHEDULE FORMING PART OF THE BALANCE SHEET****SCHEDULE 6**

	Face Value Rupees	Quantity		Rupees	
		30th September,2004	31st March,2004	30th September,2004	31st March,2004
INVESTMENTS					
(Current Investments - At Cost)					
Kotak Mahindra Mutual Fund Liquid Scheme - Dividend	10	-	-	-	-
Total				-	-

Notes :

1)The Company had purchased and sold during the year units of Kotak Mahindra Mutual Fund - Liquid Scheme Dividend of the Face Value of Rs.3,918,525,763.

		30th September,2004 Rupees	31st March,2004 Rupees
2)Aggregate value of quoted investments	At cost	-	-
	Market Value	-	-

KOTAK MAHINDRA PRIMUS LIMITED**SCHEDULE FORMING PART OF THE BALANCE SHEET****SCHEDULE 7**

	30th September,2004		31st March,2004
	Rupees	Rupees	Rupees
RECEIVABLES UNDER AUTO FINANCE (Secured by vehicles under Hire Purchase / Loan / Lease agreements)			
Hire Purchase	125,946,125		253,714,714
Loans	23,811,402,305		20,850,453,624
Lease	962,961,873		868,103,843
		24,900,310,303	21,972,272,181
Less : Provision for doubtful receivables		36,614,325	32,104,773
Total		24,863,695,978	21,940,167,408

KOTAK MAHINDRA PRIMUS LIMITED
SCHEDULE FORMING PART OF THE BALANCE SHEET
SCHEDULE 8

	30th September,2004		31st March,2004	
	Rupees	Rupees	Rupees	Rupees
CURRENT ASSETS, LOANS AND ADVANCES				
a) Sundry Debtors (secured)				
Debts outstanding for a period exceeding six months -				
- Considered Good	1,271,233		1,911,174	
- Considered Doubtful	23,174,488		15,506,491	
	24,445,721		17,417,665	
Less : Provision for doubtful debts	23,174,488		15,506,491	
	1,271,233		1,911,174	
Other Debts				
- Considered Good	93,856,541		65,431,007	
- Considered Doubtful	1,195,848		1,342,225	
	95,052,389		66,773,232	
Less : Provision for doubtful debts	1,195,848		1,342,225	
	93,856,541		65,431,007	
		95,127,774	67,342,181	
b) Cash and Bank Balances				
Cash on hand	227,358.00		-	
Bank balances (with scheduled banks)				
i) Current accounts	491,180,363		432,505,312	
ii) Fixed deposit (lodged with government department)	1,979,856		1,979,856	
Bank balances (with others) in Current account (Maximum amount outstanding during the year Rs.100,000,000 Previous year Rs.100,000,000)	-		-	
		493,387,577	434,485,168	
c) Loans and Advances				
(Unsecured , considered good unless otherwise specified)				
Advances recoverable in cash or in kind or for value to be received				
Secured - Considered Good	56,082,197		107,204,980	
Unsecured - Considered Good	411,175,309		280,114,903	
Unsecured - Considered Doubtful	2,500,930		2,500,930	
	469,758,436		389,820,813	
Less : Provision for doubtful advances	2,500,930		2,500,930	
	467,257,506		387,319,883	
Inter Corporate Deposits	-		400,000,000	
Advance payment of taxes and tax deducted at source (net of provision for tax)	-		28,573,250	
Security deposit for premises	464,031,116		463,911,116	
		931,288,622	1,279,804,249	
d) Properties - held for disposal				
(at lower of cost or market value)				
		14,326,000	14,326,000	
Total		1,534,129,973	1,795,957,598	

Note :

Unsecured - Considered Good Loans and advances include

	30-09-2004	30-09-2004	31-03-2004	31-03-2004
	Rupees	Rupees	Rupees	Rupees
	Maximum	Outstanding	Maximum	Outstanding
	Outstanding		Outstanding	
Due from companies under the same management				
Ford Credit Kotak Mahindra Limited	10,998,252	5,920,530	8,605,911	2,845,002
Kotak Mahindra Asset Management Company Limited	23,458	14,952	22,319	-
Kotak Mahindra Investments Limited - ICD	400,000,000	-	400,000,000	400,000,000

KOTAK MAHINDRA PRIMUS LIMITED**SCHEDULE FORMING PART OF THE BALANCE SHEET****SCHEDULE 9**

	30th September,2004 Rupees	31st March,2004 Rupees
LIABILITIES		
Sundry creditors :		
Other than small scale industrial undertakings	903,680,513	643,978,615
Interest accrued but not due on loans	323,011,334	347,222,452
Advances received against hire purchase / loan / lease agreements	87,342,474	78,493,819
Book overdraft with banks	632,673,616	401,901,374
Other liabilities	4,126,186	13,119,139
Total	1,950,834,123	1,484,715,399

KOTAK MAHINDRA PRIMUS LIMITED**SCHEDULE FORMING PART OF THE BALANCE SHEET****SCHEDULE 10**

	30th September,2004 Rupees	31st March,2004 Rupees
PROVISIONS		
Provision for gratuity and leave encashment	9,247,500	8,634,000
Provison for taxation (Net of advance payment of taxes and tax deducted at source)	995,867	-
Provision for standard assets	49,751,875	40,094,074
Total	59,995,242	48,728,074

KOTAK MAHINDRA PRIMUS LIMITED**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT****SCHEDULE 11**

	Period ended 30th September, 2004		Year ended 31st March, 2004
	Rupees	Rupees	Rupees
INCOME FROM OPERATIONS			
Lease rentals	172,091,638		281,123,926
Less : Capital Recovery	124,151,607		201,431,882
		47,940,031	79,692,044
Income from Hire Purchase / Loans etc. (Tax deducted at source Rs.469,947 Previous year Rs.1,307,796)		1,104,721,773	2,085,278,336
Interest from Wholesale Trade Advances (Tax deducted at source Rs.8,900,243 Previous year Rs.29,133,432)		94,945,376	152,755,367
Income from fee based activities (Tax deducted at source Rs.326,779 Previous year Rs.939,637)		19,343,904	23,280,886
Total		1,266,951,084	2,341,006,633

KOTAK MAHINDRA PRIMUS LIMITED**SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT****SCHEDULE 12**

	Period ended 30th September, 2004	Year ended 31st March, 2004
	Rupees	Rupees
OTHER INCOME		
Profit on sale of current investments	8,406	321,185
Dividend from Mutual Fund	835,000	91,204
Interest (Gross) : On deposits/advances etc. (Tax deducted at source Rs.325,192 Previous year Rs.271,274)	341,616	7,483,423
Profit on sale of fixed assets (Net)	332,540	1,826,574
Interest Rate Swap receipts	125,676	-
Gain on Foreign Exchange Transactions (Net)	1,447,622	-
Other Miscellaneous Income (Net) (Tax deducted at source Rs.725,418 Previous year Rs.996,764)	9,588,841	12,888,966
Total	12,679,701	22,611,352

KOTAK MAHINDRA PRIMUS LIMITED**SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT****SCHEDULE 13**

	Period ended 30th September, 2004	Year ended 31st March, 2004
	Rupees	Rupees
PAYMENTS TO EMPLOYEES		
Salaries, Allowances and Bonus	55,918,446	109,659,302
Contribution to Employees' Provident Fund and Provision for Gratuity	3,149,939	6,547,971
Staff Welfare expenses	2,624,542	6,123,473
Recovery of expenses	(3,096,881)	(10,975,725)
Total	58,596,046	111,355,021

KOTAK MAHINDRA PRIMUS LIMITED**SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT****SCHEDULE 14**

	Period ended 30th September, 2004	Year ended 31st March, 2004
	Rupees	Rupees
INTEREST AND FINANCE CHARGES		
a) Interest On		
Debentures	301,990,603	534,592,586
Term borrowings	182,050,700	342,208,030
Others	58,318,460	114,668,435
b) Bank and other finance charges	10,989,262	22,110,900
c) Premium on Forward Exchange Contract	2,153,465	18,845,272
d) Interest Rate Swap payments	-	465,080.00
Total	555,502,490	1,032,890,303

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE 15

	Period ended 30th September, 2004		Year ended 31st March, 2004
	Rupees	Rupees	Rupees
ADMINISTRATIVE AND OTHER EXPENSES			
Travelling and Conveyance		7,728,663	16,133,620
Professional fees		27,838,040	55,934,579
Auditors' Remuneration			
Audit Fees	900,000		1,600,000
Others :			
Certification Work	124,000		918,160
Tax audit fees	100,000		100,000
Out of pocket expenses	8,857		36,960
Service tax on above services	-		202,020
Service tax input credit	-		(186,820.00)
		1,132,857	2,670,320
Brokerage and Commission		187,930,898	278,833,784
Office Expenses		3,701,389	6,580,525
Electricity Expenses		4,057,301	5,459,454
Common Establishment Expenses - Reimbursements		2,408,123	8,011,034
Telephone, Telex and Postage		9,199,325	18,822,718
Data Processing and Communication Expenses		17,500,080	33,159,157
Loss on Foreign Exchange Transactions (Net)		-	19,470
Rent and licence fees for premises		10,688,761	17,382,318
Royalty		237,500,000	452,500,000
Advertisement Expenses		14,375,790	26,429,957
Miscellaneous Expenses		4,388,056	8,163,750
Maintenance Expenses		2,797,677	8,253,238
Insurance Expenses		473,018	1,065,435
Printing and Stationery		5,045,453	10,196,484
Rates and Taxes		5,987,242	12,952,382
Business Promotion expenses		6,072,428	12,757,917
Wealth Tax		-	10,051
Recovery of expenses		(7,188,910)	(14,777,820)
Total		541,636,191	960,558,373

KOTAK MAHINDRA PRIMUS LIMITED
SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT
SCHEDULE 16

	Period ended 30th September, 2004	Year ended 31st March, 2004
	Rupees	Rupees
PROVISIONS / WRITE OFFS FOR NON PERFORMING ASSETS		
Loss on sale of repossessed vehicles/termination of contracts (Net)	17,086,240	59,186,682
Provision for doubtful debts , advances and receivables under auto finance	12,031,172	(14,861,099)
Provision for standard assets	9,657,801	19,107,383
Provision for diminution in value of properties	-	1,749,815.00
Write offs recovered	(4,003,358)	(8,420,904)
Total	34,771,855	56,761,877