



## PRESS RELEASE

### KOTAK MAHINDRA TO BUY OUT GOLDMAN SACHS' STAKE IN JVs

**Mumbai, March 16, 2006:** Consistent with its aspiration to be a global financial institution from India, Kotak Mahindra Bank Limited (Kotak Bank), through its subsidiaries, has entered into an agreement to purchase the 25% stake held by Goldman Sachs (Mauritius) LLC in two of Kotak Bank's subsidiaries - Kotak Mahindra Capital Company Limited (KMCC) and Kotak Securities Limited (KS). With these purchases the Kotak Mahindra group will wholly own both KMCC and KS.

The aggregate purchase consideration for the 25% stakes in the subsidiaries is Rs 333 crore. The consideration for the 25% stake in KS is Rs 123 crore and the consideration for the 25% stake in KMCC is Rs 210 crore. The Strategic Alliance between Kotak Bank and Goldman Sachs has terminated. Kotak and Goldman Sachs have entered into a business co-operation agreement for a period of up to one year. The transaction will be completed after the receipt of necessary regulatory approvals.

KMCC is India's leading Investment Bank and topped both the Initial Public Offerings (IPO) and M&A league tables for 2005. Euromoney voted Kotak Investment Banking as the best equity house in India for 2005. KMCC also has presence in the international market in UK, USA, Mauritius and UAE through its subsidiaries.

KS is India's leading stock broker for both retail and institutional clients. KS has over 600 retail outlets covering 203 cities and towns across India. KS was awarded best broker in India for 2005 by FinanceAsia.

The joint ventures recorded profit after tax of Rs 183 crore for the nine month ended December 31, 2005 (Rs 138 crore for year ended March 31, 2005).

Describing the transaction as a change of an era **Mr Uday Kotak, Executive Vice Chairman & Managing Director, Kotak Mahindra Bank** said, "With the purchase of the investment banking and securities businesses the group has taken a significant step towards further integrating financial product offerings for customers. The time has come for us to raise our aspirations and scale as the India story becomes center stage in the global order. We at Kotak have always aspired to create an Indian financial institution with global class and capabilities. This is a reinforcement of that vision.

We started our relationship with Goldman Sachs in 1992 and it became an equity joint venture in 1996. Over the last 14 years of our association, we as an institution, have learnt a lot from Goldman Sachs and we value our relationship with them. Time has now come to chart our own destiny."

M/s Amarchand & Mangaldas & Suresh A. Shroff & Co. acted as legal advisors for Kotak Mahindra on the transaction.



## **ABOUT KOTAK MAHINDRA**

Kotak Mahindra is one of India's leading financial institutions, offering complete financial solutions that encompass every sphere of life. From commercial banking, to stock broking, to mutual funds, to life insurance, to investment banking, the group caters to the financial needs of individuals and corporates.

The group has a net worth of around Rs. 2,000 crore, employs around 6,000 people in its various businesses and has a distribution network of 851 branches, franchisees, representative offices and satellite offices across 216 cities and towns in India and offices in New York, London, Dubai and Mauritius.

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