



---

**Kotak Mahindra Bank to place equity with Warburg Pincus at Rs 230 a share with one year lock-in  
Warburg Pincus to invest Rs 75 cr through private placement**

(November 29, 2004)

The Board of Directors of Kotak Mahindra Bank today approved a decision to issue 33,00,000 equity shares on a preferential basis to sub accounts of Warburg Pincus International LLC, a registered FII, subject to necessary approvals, including that from the Reserve Bank of India. This constitutes 2.75% of the current paid-up capital of the Bank.

The preferential issue, which has a lock-in period of one year, will be at a price of Rs 230 per share, amounting to Rs 75.9 crore. This is the first investment by Warburg Pincus in India's banking sector.

Making the announcement, **Uday Kotak, Executive Vice Chairman and Managing Director, Kotak Mahindra Bank said**, "We at Kotak Mahindra Bank are committed to building a world class Indian financial institution. Raising capital at this stage is part of our plan to fund the Bank's expansion strategy. Having a reputed investor like Warburg Pincus on board underlines the confidence of long term investors in Kotak Mahindra."

Commenting on the development, **Mr. Dalip Pathak, Managing Director, Warburg Pincus said**, "We are delighted at the opportunity to partner with Kotak Mahindra Bank. The Indian banking sector, which is undergoing rapid development, has significant growth potential and we believe that Kotak Mahindra Bank is well placed to establish a successful position within the sector. This investment is reflective of our faith and confidence in the management team and the growth prospects of the organization, and also reinforces our continued commitment to India as a key investment destination."

The Board of Kotak Mahindra Bank has also approved, subject to the consent of the shareholders and other necessary approvals, increase in ceiling for investment by FIIs from 24% to 30%. The increase would be effective from a date to be determined by the Board of Directors.

Kotak Mahindra Bank plans to increase its branch network to 100 branches across 30-40 cities by 2007-08.

**About Warburg Pincus**

Warburg Pincus has been a leading private equity investor since 1971. The firm currently has approximately \$ 13 billion under management, including \$ 3 billion available for investment in a range of industries including business services, energy, financial services and technologies, healthcare and life sciences, information and communication technology, media and real estate. Warburg Pincus is an experienced partner to entrepreneurs seeking to create and build durable companies with sustainable value. The firm has an active portfolio of about 125 companies.

Warburg Pincus is the largest international private equity investor in India with investments of over US \$ 850 million in the country. The firm's key portfolio companies include Bharti Tele-ventures, Gujarat Ambuja, Moser Baer, Nicholas Piramal, Rediff and WNS Global Services.