



Kotak Mahindra Bank Press Release

(Mumbai, March 1, 2006)

Kotak Mahindra Bank's (Kotak Bank) subsidiaries and associates and promoter group companies, have today sold their entire effective economic interest of 8.33% in Hutchison Essar Limited (HEL), a leading telecom service provider in India to a company beneficially owned by Analjit Singh and to Telecom Investments India. Analjit Singh was the original founder of Hutchison Max Telecom.

This sale is for a net consideration of Rs. 1,019 crore. The sale consideration is on the basis of an underlying value of about US\$ 6 billion for HEL, adjusted for debt and preference share liabilities in the companies which hold shares of HEL. Kotak Bank's consolidated share of the pre-tax profit on such sale is Rs. 392 crore for the 3.19% effective economic interest in HEL.

Commenting on the sale Mr. Uday Kotak, Executive Vice Chairman and Managing Director, Kotak Bank, said "We were one of the early investors in the Indian telecom sector and take immense pride in the development of Hutchison Essar Limited as one of the leading telecom companies in India. We have enjoyed a very fruitful association with Hutchison and Hutchison Essar and wish them success in future."