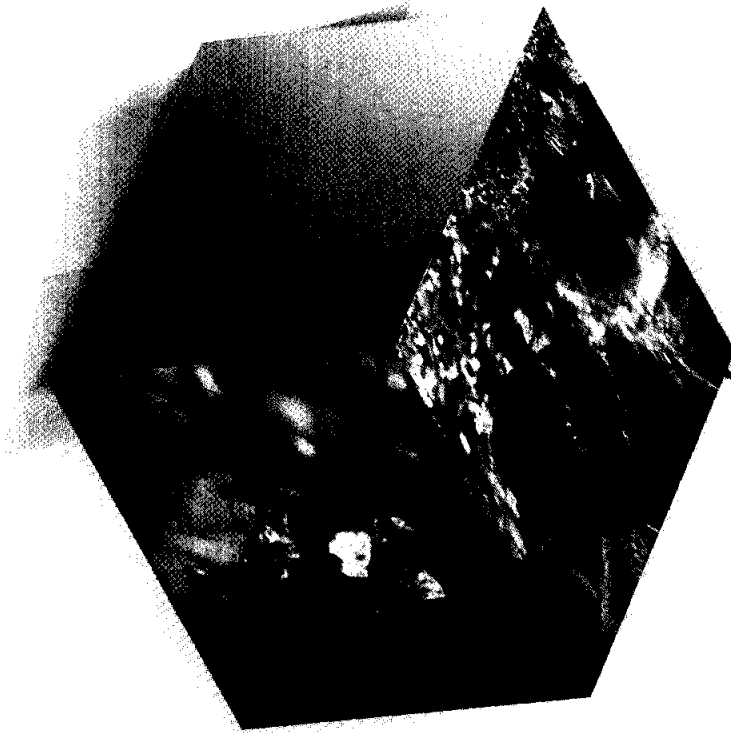




KOTAK MAHINDRA
FINANCE LIMITED



“Caring for our customers,
is all about understanding them.”

At Kotak Mahindra we take care
of your three basic financial needs:
earning, investing and spending -
so that you can live life without worrying.”

KOTAK MAHINDRA
A lifetime of value

"A lifetime of value"

("Zindagi ka hisab - kitab")

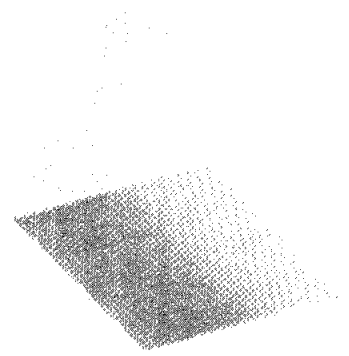
We've Chosen The Path To Our Customers

*"At Kotak Mahindra we have a strong belief!
Caring for our customers, is all about understanding them.
We take care of your three basic financial needs: earning, investing and
spending - so that you can live life without worrying.*

*Sixteen years ago we embarked on a mission.
To address corporates and the common man alike.
Partnering, advising, innovating and creating solutions.
For just about any financial problem or need.*

*Through rain or shine, calm or storm.
Our journey has been uninterrupted.
Where others have failed, we've succeeded.
Our growth has been steady.
Leading us to a position of strength.*

*Today we stand on firm ground.
Having graced almost all finance avenues.
Offering you a wide range
Of financial products and services.
From Corporate Finance to Retail Finance,
From Investment Banking to Brokerage to Mutual Funds,
From Car Finance to Life Insurance.
We're making every effort to touch your life.
More importantly, we're there to help you plan it."*



KOTAK MAHINDRA
A lifetime of value



Strengthening Our World Of Financial Services

Over the past few years, Kotak Mahindra has characteristically looked ahead for new opportunities and has nurtured several new businesses like Mutual Funds, Commercial Vehicle Financing, variants in Consumer Financing such as Holiday Finance and Personal Loans, Net-trading through *kotakstreet.com* and Life Insurance.

The journey to diverse finance areas gained momentum in 1999, when the Group underwent a restructuring process and three strategic business units emerged : Asset Finance, Knowledge Management and Wealth Management. A highly competent core management team is at the helm of these new units, steering them to success.



REPORT JUNCTION.COM

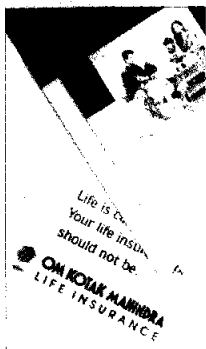
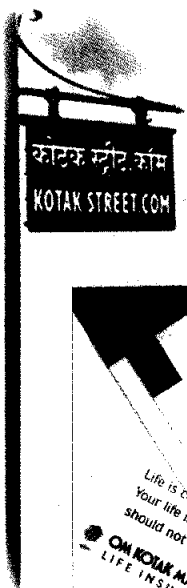
Creating A New Environment For Customers

During the last fiscal, we've begun creating an environment that will make it easier for our customers to interact with us and get the advantage of our various products and services. The last fiscal saw new developments in the Kotak Mahindra group. In August 2000, *kotakstreet.com* - an on-line brokerage service - catering to the retail investors was launched. Around the same time, a 24 hour Call Centre catering to Commercial Vehicle and Retail Finance customers, was set up in Mumbai. Before the end of the second quarter, the company entered into a joint venture with Old Mutual plc. U.K., for starting a Life Insurance business. In the last quarter, Kotak Securities, the broking arm of the group, became a full-fledged subsidiary of Kotak Mahindra.

Creating The Ideal Support System

All this would not have been possible without a strong network and systems that we have built over a period of time, coupled with our expertise. Truly, our strength lies in our team of over a 1,000 dedicated professionals spread over 40 centres in India and 3 international centres in Dubai, London and New York. We've also taken special care to see that our processes, controls and systems for back office, as well as risk management and other critical aspects of the business are

in place. No wonder then, today we find ourselves poised to integrate the emerging technologies with our core businesses and rise as a stronger force to reckon with in the financial services industry.



Kotak Mahindra Group of Companies

NAME OF COMPANY	MAIN BUSINESS AREA	SCOPE OF ACTIVITIES	SECTION Page No.
Kotak Mahindra Finance Limited	Asset Finance	Corporate Finance Commercial Vehicle Finance Personal Finance Capital Market Finance Asset Reconstruction Fixed Deposits	A
Kotak Mahindra Capital Company	Investment Banking	Equity Capital Markets Mergers & Acquisitions Fixed Income Securities Structured Finance Primary Dealer in Govt. Securities	B - 1
Kotak Securities	Private Client Service	Brokerage Services Distribution of Financial Products	B - 20
Kotak Mahindra Primus Limited	Automobile Finance	Finance for non-Ford Cars Financing Automobile Dealers	B - 37
OM Kotak Mahindra Life Insurance Company Ltd.	Insurance	Life Insurance	B - 53
Kotak Mahindra Asset Management Company Limited	Mutual Funds	Management of the Assets of the Mutual Funds	B - 61
Kotak Mahindra Trustee Company Ltd.	Trustee of the Mutual Funds	Trustee of the Mutual Funds	C - 1
Hamko Financial Services Ltd.	Investments	Investments	C - 6
Kotak Mahindra Investments Ltd.	Investments	Investments	C - 12
Business Standard Ltd.	Media	Publishing of Newspaper, Magazine & TV Programme Production	C - 18
Business Standard Digital Ltd.	Media	Content and Advertising Digital Service	C - 30
Kotak Mahindra (International) Ltd.	Financial Services	Brokerage and Advisory Services	C - 37
Kotak Mahindra (UK) Ltd.	Financial Services	Brokerage and Advisory Services in UK	C - 44
Kotak Mahindra Inc.	Broker Dealer	Brokerage and Advisory Services in USA	C - 50
Kotak Mahindra Securities Ltd.	Debt Trading	Fixed Income Securities Brokerage	C - 54
Kotak Mahindra Private - Equity Trustee Ltd.	Trustee of the Private Equity Fund	Trustee of the Private Equity Fund	C - 61
Komaf Securities	Brokerage Services	Brokerage Services	C - 68
Kotak Forex Brokerage Ltd.	Brokerage Services	Foreign Exchange Brokerage Services	C - 74

KOTAK MAHINDRA
A lifetime of value

Board Of Directors

	No. of board meetings attended	AGM attendance	No. of other shareholder meetings	No. of institutions or other bodies
 Anand Mahindra* Chairman	6	Yes	14	—
 Uday Kotak* Vice Chairman	7	Yes	12	1
 C. Jayaram Executive Director	7	Yes	2	—
 Dipak Gupta Executive Director	7	Yes	11	4
 S.A.A. Pinto* Director	7	Yes	4	3
 Shivaji Dam* Director	7	Yes	5	3
 K. M. Gherda* Director	7	Yes	9	2
 M. R. Punja* Director	3	Yes	2	—
 Cyril Shroff * Director	2	No	7	2
 Pradeep Kotak* Director	7	Yes	—	—
N. J. N. Vazifdar - Vice President & Secretary				
* Non - Executive				

Bankers

Citibank N.A.
Dena Bank
Deutsche Bank
HDFC Bank Ltd.
ICICI Banking Corporation Ltd.
Punjab National Bank

Standard Chartered Bank
State Bank of India
State Bank of Patiala
Sumitomo Mitsui Banking Corporation
Vijaya Bank

Auditors

V. C. Shah and Co.
C. C. Chokshi and Co.

Solicitors and Advocates

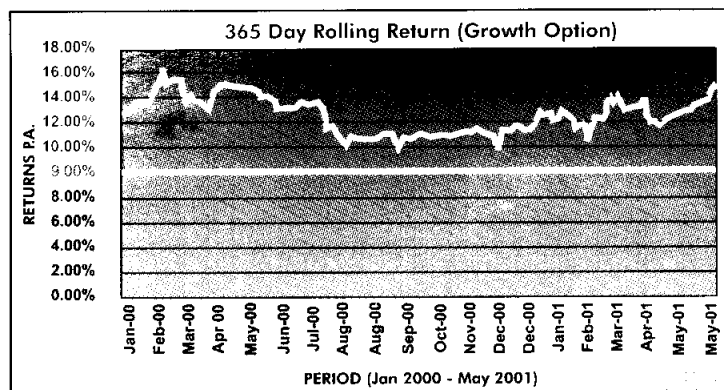
Amarchand & Mangaldas &
Suresh A. Shroff & Company

Registered Office

36-38A, Nariman Bhavan,
227, Nariman Point,
Mumbai - 400 021.
Tel : 285 5511 Fax : 285 5577

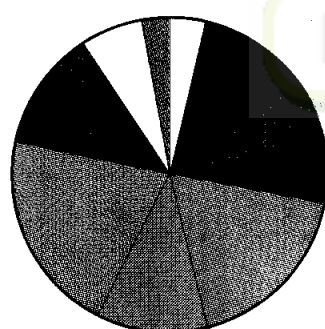
Why should one invest in K Gilt Investment Plan

Liquidity	Can redeem the units, whenever they are required.
Tax benefits	Dividends are tax free in the hands of the investor. No TDS on redemption.
Transparency	Greater transparency. Monthly portfolios available. Daily NAVs published.
Redemptions / Withdrawals	Part amounts can be redeemed without penalty.
Recurring Investment Facility	Start an account with multiple cheques of at least Rs. 1,000 each totalling upto Rs. 5,000 dated 5th or 25th of the month.
Switching Facility	Switch all or part of your investment in a scheme / plan / option to any other scheme / plan / option.



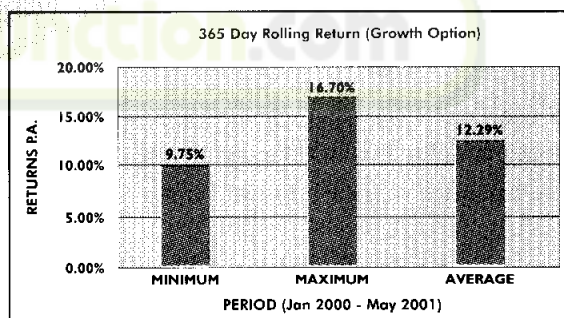
Past Performance may or may not be sustained in the future.

Portfolio as on May 31, 2001



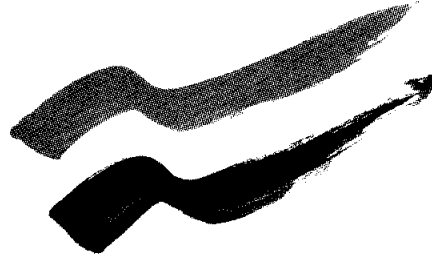
Net Receivable (Incl. call)	2.85%	GOI 2008	18.49%
GOI 2001	3.72%	GOI 2010	11.29%
GOI 2004	3.35%	GOI 2011	21.15%
GOI 2005	7.88%	GOI 2012	1.84%
GOI 2006	6.76%	GOI 2015	10.26%
GOI 2007	5.97%	GOI 2020	6.44%

Average portfolio maturity 8.73 years.



FOR MORE DETAILS CONTACT: AHMEDABAD:079-6587276/7277/9889, BANGALORE:080-2863524/25, CHANDIGARH:0172-746754, CHENNAI:044-8544724, 851 7686, COCHIN:0484-333 358, 339 501/03, JAMSHEDPUR:0657-425 321/22, KOLKATA:033-287 1743, 240 1521/5166, LUCKNOW:0522-237593/238823, MUMBAI:022-2024884, NASIK:0253-573 869, 311 181, NEWDELHI:011-3356112/6114, PATNA:9835039691, PUNE:020-6053338, 6137341, SECUNDERABAD:040-7722319, 7819845/9847, SURAT:0261-472972, 474853/854.

Risk Factors: Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Scheme will be achieved. As with any securities investment, the NAV of the Units issued under the Scheme can go up or down depending on the factors and forces affecting the capital markets. Past performance of the Sponsor or that of existing Schemes of the fund does not indicate the future performance of the Scheme. K Gilt is only the name of the Scheme and does not in any manner indicate either the quality of the Scheme, future prospects or returns. The NAV of the Scheme may be affected, inter-alia, by changes in the market interest rates, trading volumes, settlement periods and transfer procedures. Tax laws may change affecting the return on investment in units. In the event of receipt of a very large number of redemption requests or very large value redemption requests or of a restructuring of the Scheme's portfolio, there may be delays in the redemption of Units. Please refer to the paragraph on "Right to limit Redemption" in the Offer Document. **Statutory:** Kotak Mahindra Mutual Fund has been established as a trust under the Indian Trusts Act, 1882, by Kotak Mahindra Finance Limited (liability restricted to the corpus of Rs. 1 lakh) with Kotak Mahindra Trustee Company Limited as the Trustee and with Kotak Mahindra Asset Management Company Limited as the Investment Manager. **Investment Objective:** To generate risk-free returns through investments in sovereign securities issued by the Central Government and / or a State Government and / or any security unconditionally guaranteed by the Government of India, and / or reverse repos. **Before investing, please read the Offer Document.**



**Zero credit risk,
Easy liquidity,
And look at the returns.**

K GILT. The way to invest in Government Securities.

K Gilt is an open ended dedicated gilt scheme and seeks to generate risk free returns through investment in government securities.

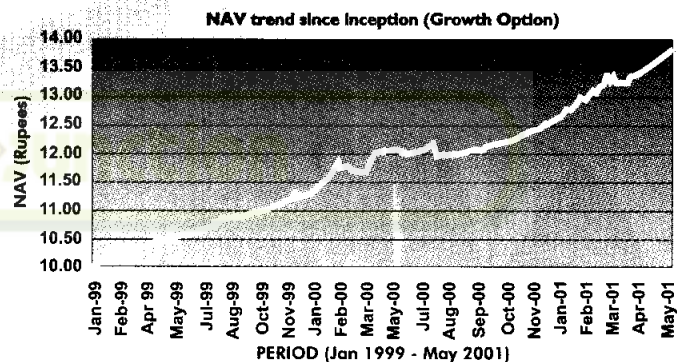
The scheme is suitable for long term investors not wanting to take any credit risk. The recommended investment horizon is one year and above.

Performance (Growth Option)

NAV as on May 31, 2001: Rs. 13.829	Returns
Last 1 year	15.16% p.a.
Last 2 years (CAGR [#])	14.57% p.a.
CAGR [#] Since Going Open Ended (Jan-5-99)	14.28% p.a.

[#] Compounded Annualised Growth Rate

Past Performance may or may not be sustained in future.



Highlights of the fund

- Minimum initial investment : Rs. 5,000
- Quarterly Dividends*
- Redemption proceeds and dividend payout credited directly into your bank account through **D-KREDIT** **

*Dividend distribution is subject to adequacy and availability of distributable surplus.

D-KREDIT **Currently available for ABN Amro Bank, Deutsche Bank, Global Trust Bank, HDFC Bank and Standard Chartered Grindlays Bank account holders.

K MUTUAL
KOTAK MAHINDRA MUTUAL FUND

NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of Kotak Mahindra Finance Limited will be held on Friday, 3rd August 2001 at 3:30 p.m. at Patkar Hall, 1, Nathibai Thackersey Road, Mumbai 400 020, to transact the following business :

1. To receive and adopt the Profit and Loss Account for the year ended 31st March 2001, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Uday Kotak who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Shivaji Dam who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Pradeep Kotak who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint Messrs. V.C. Shah & Co., Chartered Accountants, Mumbai, and Messrs. C.C. Chokshi & Co., Chartered Accountants, Mumbai, as Joint Auditors, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

7. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution :

"RESOLVED that, pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, ("the Act") including Schedule XIII to the Act, consent and approval of the Company be and is hereby accorded to the re-appointment of Mr. C. Jayaram as Whole-time Director of the Company, designated as Executive Director, for a further period of two years from 1st April 2001, on the terms and conditions including as to remuneration, perquisites, benefits and facilities set out in the draft of the Agreement to be entered into between the Company and Mr. Jayaram, a copy whereof, initialled by the Chairman for the purpose of identification, has been submitted to this Meeting, which Agreement is hereby specifically approved.

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration and perquisites payable or to be provided to Mr. Jayaram including the monetary value thereof as specified in the draft Agreement to the extent the Board may consider appropriate or as may be permitted or authorised in accordance with the provisions of the Act for the time being in force, provided, however, that the remuneration payable to Mr. Jayaram shall be within such limits, if any, as may be set out in the Act including the said Schedule XIII to the Act or any amendments thereto or any modification or statutory re-enactment(s) thereof and / or any rules or regulations framed thereunder from time to time and the terms of the aforesaid Agreement between the Company and Mr. Jayaram shall be suitably modified to give effect to such variation or increase as the case may be."
8. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution :

"RESOLVED that, pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, ("the Act") including Schedule XIII to the Act, consent and approval of the Company be and is hereby accorded to the re-appointment of Mr. Dipak Gupta as Whole-time Director of the Company, designated as Executive Director, for a further period of two years with effect from 1st April 2001, on the terms and conditions including as to remuneration, perquisites, benefits and facilities set out in the draft of the Agreement to be entered into between the Company and Mr. Gupta, a copy whereof, initialled by the Chairman for the purpose of identification, has been submitted to this Meeting, which Agreement is hereby specifically approved.

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration and perquisites payable or to be provided to Mr. Gupta including the monetary value thereof as specified in the draft Agreement to the extent the Board may consider appropriate or as may be permitted or authorised in accordance with the provisions of the Act for the time being in force, provided, however, that the remuneration payable to Mr. Gupta shall be within such limits, if any, as may be set out in the Act including the said Schedule XIII to the Act or any amendments thereto or any modification or statutory re-enactment(s) thereof and/or any rules or regulations framed thereunder from time to time and the terms of the aforesaid Agreement between the Company and Mr. Gupta shall be suitably modified to give effect to such variation or increase as the case may be."

Notes :

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business under Items 7 and 8 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

The instrument appointing a Proxy, to be effective, must be duly filled, stamped and signed and must reach the Company's Registered Office not later than 48 hours before the commencement of the Meeting.
3. The Register of Members and the Share Transfer Books of the Company will be closed from Tuesday, July 10, 2001 to Monday, July 16, 2001, both days inclusive, for the purposes of the Annual General Meeting.
4. If the dividend on shares, as recommended by the Board of Directors, is declared at the meeting, payment thereof will be made, on and after August 4, 2001, to those shareholders whose names appear on the Register of Members of the Company on July 16, 2001. In respect of shares held in dematerialised form in the Depository system, dividend thereon will be paid to the beneficial owners as per the list to be provided by the Depositories.

5. Shareholders are informed that, pursuant to the provisions of the Companies (Amendment) Act, 1999, the amount of dividend which remains unclaimed for a period of 7 years would be transferred to the Investor Protection Fund to be constituted by the Central Government and shareholders would not be able to claim any amount of the dividend so transferred. Shareholders who have not encashed their dividend warrants should send the same to the Company for revalidation.
In respect of dividends for prior years already transferred by the Company to the General Revenue Account of the Central Government, shareholders may claim the same by writing to the Registrar of Companies, Maharashtra, Mumbai, at 100, Everest, Marine Drive, Mumbai 400 020, quoting the Company Registration No.11-38137 / TA.
6. All correspondence regarding shares of the Company should be addressed to the Company's Registrars and Transfer Agents, Karvy Consultants Limited, (Unit : Kotak Mahindra Finance Limited) at 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad 500 034.
7. Shareholders may avail of the facility for making nominations in respect of the shares held by them. All rights of transfer and / or to amounts payable in respect of the shares shall vest in the nominee in the event of the death of the shareholder. A minor may be a nominee provided that the name of the guardian is mentioned in the Nomination form. The facility of nomination is not available to non-individual shareholders such as Bodies Corporate, Kartas of Hindu Undivided Families, Partnership Firms, Societies, Trusts and holders of Powers of Attorney.
8. The equity shares of the Company are listed on the following Stock Exchanges :
(i) The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001; (ii) National Stock Exchange of India Limited, Exchange Plaza, Bandra - Kurla Complex, Bandra (East), Mumbai 400051; (iii) The Stock Exchange - Ahmedabad, Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ahmedabad - 380 015; (iv) The Delhi Stock Exchange Association Limited, DSE House, 3/1, Asaf Ali Road, New Delhi - 110 002; (v) Madras Stock Exchange Limited, Exchange Building, 11, Second Line Beach, Chennai - 600 001.
The Company has paid the annual listing fees to each of the above Stock Exchanges upto the financial year 2001-02.
9. The Securities and Exchange Board of India has included the equity shares of the Company in the list of shares in which trading is compulsorily in dematerialised form, from 29th November 1999. The equity shares of the Company have been activated for dematerialisation with the National Securities Depository Limited with effect from 4th August 1998 and with the Central Depository Services (India) Limited with effect from 26th February 1999 vide ISINs INE237A01010.

By order of the Board of Directors

N.J.N. VAZIFDAR

Vice President & Secretary

Mumbai, June 29, 2001.

EXPLANATORY STATEMENT

In terms of Section 173 of the Companies Act, 1956, the following explanatory statement sets out all the material facts relating to Items 7 and 8 of the accompanying Notice dated June 29, 2001.

Items 7 & 8

Mr. C. Jayaram and Mr. Dipak Gupta were appointed as Whole-time Directors, designated "Executive Directors" upto 31st March 2001. The aforesaid appointments were approved by the members of the Company at the Annual General Meeting of the Company held on 28th July 2000, on the terms and conditions including as to remuneration, perquisites, benefits and facilities as set out in the draft Agreement submitted thereat.

The Board of Directors of the Company, at its Meeting held on 28th March 2001, re-appointed Mr. C. Jayaram and Mr. Dipak Gupta as Whole-time Directors of the Company, designated as Executive Directors, for a further period of two years effective 1st April 2001, on the terms and conditions including as to remuneration, perquisites, benefits and facilities set out in the respective draft Agreements submitted to this Meeting.

The Resolutions at Items 7 and 8 seek to obtain the Members' approval to the appointments of and payment of remuneration to Mr. Jayaram and Mr. Gupta as set out in the drafts of the Agreements between the Company and Mr. Jayaram and Mr. Gupta, copies of which are available for inspection by the Members at the Registered Office of the Company on any working day of the Company between 11:00 a.m. and 1:00 p.m. upto the date of the Annual General Meeting.

The Directors commend the Resolutions at Items 7 and 8 for the approval of the Members.

Mr. Jayaram and Mr. Gupta may be deemed respectively to be concerned or interested in these Resolutions.

By order of the Board of Directors

N.J.N. VAZIFDAR

Vice President & Secretary

Mumbai, June 29, 2001