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## *Enriching The 'Value Bouquet'*

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**KOTAK MAHINDRA**  
A lifetime of value



**KOTAK MAHINDRA**  
FRIENDLY DEPOSITS

## Make investing a really rewarding experience

25th August 2002

Dear Friend,

Having been a special member of the Kotak Mahindra family, we would like to share some really exciting news with you. News that will no doubt make your investment decision a whole lot easier. And investing, a whole lot more rewarding.

**It's with pride that we present to you a great offer on Fixed Deposits! Free Personal Accident Death Insurance upto Rs.5 lakhs!** Isn't that amazing? Especially when you consider the host of other unmatched benefits that come with every Friendly Deposit, viz. **attractive interest rates, FAAA Crisil Rating, Ind AAA (FD) ratings from FITCH Ratings India, friendly service, solid company...**

*Who else can give you this much?*

the list goes on.

So make an informed choice and invest in Kotak Mahindra Finance Limited's Friendly Deposits right away. Why settle for less?

Kindly send the attached Fixed Deposit form duly filled up with proof of identification (please refer to the form), to any of our customer service offices or to your nearest broker.

Warm Regards.

Rajiv Gurnani  
Vice President

**Head Office:** 5th Floor, Vinay Bhavna Complex, 159-A, CST Road, Kalina, Santacruz (E), Mumbai 400 098. Tel: 652 8300, 652 6881.

**Regd. Office:** 36-38 A, Nariman Bhavan, 227, Nariman Point, Mumbai 400 021. Tel: 285 5650, 285 5511. E-mail: [fd@kotakmahindra.com](mailto:fd@kotakmahindra.com)

**Branch Offices:** Ahmedabad: 503, 5th floor, Sakar II, Ashram Road, Adjacent to Ellis Bridge, Ahmedabad 380 009. Tel: 658 7247, 658 7276. Bangalore: 5th Floor, West Wing, Raheja Towers, 26/27, M.G. Road, Bangalore 560 001. Tel: 559 4655, 558 6474. Baroda: 609/610, Arundeeep, Race Course Circle (South), Baroda 390 015. Tel: 332 084. Chennai: No45, Montielth Road, Ceebras Centre, Egmore, Chennai 600 008. Tel: 854 4724, 854 4864. Kolkata: 2-A, Landmark, 228-A, A.J.C. Bose Road, Kolkata 700 020. Tel: 240 0518, 280 1412. New Delhi: 502, Antriksh Bhavan, 22 Kasturba Gandhi Marg, New Delhi 110 001. Tel: 332 0158. Pune: Sohrab Hall, 4th Floor, Room No. 418-424, 21, Sassoon Road, Pune 411 001. Tel: 605 1973. Surat: B-305, Tirupati Plaza, Near Collector Office, Athwa Gate, Surat 395 002. Tel: 347 3320. Secunderabad: 414 A/B, Minerva Complex, 94-Sarajini Devi, Secunderabad 500 003. Tel: 781 6021/781 9847. Visit us at [www.kotakmahindra.com](http://www.kotakmahindra.com)

*We* always strive to give our customers the best.

So, over the years, we have created a unique bouquet.

It contains products, services and innovative financial solutions.

To meet increasing customer expectations.

Individually, each service adds value and strength.

Collectively, they give reassurance and peace of mind.

Our range of financial services lends ease to corporate as well as retail India.

With 'Banking' being the next move, the Company has come of age.

The trust placed in it has not been belied.

More importantly, the range of financial services is enriched.

The 'Value Bouquet' we once dreamed about, will soon become a reality.

A joy for all our customers, old and new !!!



# Kotak Mahindra Group

## Group Consolidated Financial Statements

Page No. 3

NAME OF COMPANY	MAIN BUSINESS AREA	SCOPE OF ACTIVITIES	Page No.
Kotak Mahindra Finance Limited	Asset Finance, Consumer Finance	Corporate Finance Commercial Vehicle Finance Personal Finance Capital Market Finance Asset Reconstruction Fixed Deposits Investments	21
Kotak Mahindra Capital Company Limited	Investment Banking	Equity Capital Markets Mergers & Acquisitions Fixed Income Securities Structured Finance Primary Dealer in Govt. Securities	63
Kotak Securities Limited	Stock Broking	Brokerage Services Distribution of Financial Products Private Client Services	87
Kotak Mahindra Primus Limited	Automobile Finance	Finance for non-Ford Cars Financing Automobile Dealers	113
OM Kotak Mahindra Life Insurance Company Limited	Insurance	Life Insurance	134
Kotak Mahindra Asset Management Company Limited	Mutual Funds	Management of the Assets of the Mutual Fund	152
Kotak Mahindra Trustee Company Limited	Trustee of the Mutual Fund	Trustee of the Mutual Fund	163
Hamko Financial Services Limited	Investments	Investments	169
Kotak Mahindra (International) Limited	Financial Services	Brokerage and Advisory Services	180
Kotak Mahindra (UK) Limited	Financial Services	Brokerage & Advisory Services - UK Registered FII	192
Kotak Mahindra Inc.	Broker Dealer	Brokerage & Advisory Services - USA	199
Kotak Mahindra Investment Company Limited, PCC	Investment	Investing funds of clients	203
Kotak Mahindra Securities Limited	Debt Trading	Fixed Income Securities Brokerage	213
Business Standard Limited	Media	Publishing of Newspaper, Magazines, TV Programme Production	222
Business Standard Digital Limited	Media	Content and Advertising Digital Service	236
Kotak Mahindra Private Equity Trustee Limited	Trustee of the Private Equity Fund	Trustee of the Private Equity Fund	246
Kotak Forex Brokerage Limited	Brokerage Services	Foreign Exchange Brokerage Services	251

Consumer Finance

Automobile Finance

Life Insurance

Stock Broking

Corporate Finance

Investment Banking

## Consolidation At A Glance

(Rs. in lakhs)

	PROFIT AFTER TAX	MINORITY INTEREST	PAT GROUP SHARE	NET WORTH
Kotak Mahindra Finance Ltd.	5,452.11	-	5,452.11	50,972.43
Kotak Mahindra Capital Co. Ltd.	5,611.13	1,402.80	4,208.33	17,003.52
Kotak Securities Ltd.	1,582.86	395.73	1,187.14	8,342.64
Kotak Mahindra Primus Ltd.	445.45	178.18	267.27	36,905.49
OM Kotak Mahindra Life Insurance Co. Ltd.	(2,343.56)	(609.33)	(1,734.24)	12,929.99
Kotak Mahindra Asset Management Co. Ltd.	17.74	-	17.74	1,731.27
Kotak Mahindra Trustee Co. Ltd.	77.80	-	77.80	130.52
Hamko Financial Services Ltd.	(179.80)	-	(179.80)	5,508.02
Kotak Mahindra (International) Ltd.*	(331.81)	(19.20)	(312.61)	1,027.77
Kotak Mahindra Inc.	(76.13)	(16.21)	(59.92)	(28.18)
Kotak Mahindra Securities Ltd.	34.60	8.65	25.95	364.15
Business Standard Ltd.	(646.19)	(241.62)	(404.58)	896.20
Business Standard Digital Ltd.	(85.82)	(32.10)	(53.72)	42.67
Kotak Mahindra Private Equity Trustee Ltd.	0.58	-	0.58	0.92
Kotak Forex Brokerage Ltd.	1.45	-	1.45	101.96
<b>TOTAL</b>	<b>9,560.41</b>	<b>1,066.90</b>	<b>8,493.50</b>	<b>1,35,929.37</b>
Less : Dividend and other adjustments			(84.52)	
Less : Minority Interest, inter company & other adjustments				(38,974.34)
<b>CONSOLIDATED KMFL SHARE</b>			<b>8,408.98</b>	<b>96,955.03</b>

\* includes Kotak Mahindra (UK) Limited and Kotak Mahindra Investment Company Limited, PCC



### Board of Directors

Anand Mahindra	-	Chairman
Uday Kotak	-	Vice Chairman & Managing Director
C. Jayaram	-	Executive Director
Dipak Gupta	-	Executive Director
S. A. A. Pinto		
Shivaji Dam		
K. M. Gherda		
M. R. Punja		
Cyril Shroff		
Pradeep N. Kotak		
Ajay Sondhi		
N. J. N. Vazifdar	-	Vice President & Secretary

### Bankers

Bank of India  
Canara Bank  
Citibank N. A.  
Dena Bank  
Deutsche Bank  
HDFC Bank Limited  
ICICI Bank Limited  
Lakshmi Vilas Bank Limited  
Punjab National Bank  
Standard Chartered Bank  
State Bank of India  
State Bank of Patiala  
Sumitomo Mitsui Banking Corporation  
Vijaya Bank

### Auditors

V. C. Shah & Co.  
C. C. Chokshi & Co.

### Solicitors and Advocates

Amarchand & Mangaldas & Suresh A. Shroff & Company

### Registered Office

36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai - 400 021.  
Tel : 022 - 285 5511 Fax : 022 - 285 5577

Consumer Finance  
Automobile Finance  
Mutual Funds  
Life Insurance  
Stock Broking  
Corporate Finance  
Investment Banking





## Kotak Mahindra Finance Limited

### NOTICE

**NOTICE** is hereby given that the Seventeenth Annual General Meeting of Kotak Mahindra Finance Limited will be held on Thursday, 26<sup>th</sup> September 2002 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 31<sup>st</sup> March 2002, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. a) To declare final dividend on equity shares.  
b) To note the payment of interim dividend on equity shares.
3. To appoint a Director in place of Mr. Anand Mahindra who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. K.M. Gherda who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Cyril Shroff who retires by rotation and, being eligible, offers himself for re-appointment.
6. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:  
"RESOLVED that, pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs. V. C. Shah & Co., Chartered Accountants, and Messrs. Deloitte Haskins & Sells, Chartered Accountants, be and are hereby appointed Joint Auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company."

### SPECIAL BUSINESS :

7. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:  
"RESOLVED that Mr. Ajay Sondhi, who was appointed as an Additional Director of the Company with effect from 1<sup>st</sup> July 2002 pursuant to the provisions of Section 260 of the Companies Act, 1956, ("the Act") and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice from a shareholder proposing his candidature for the office of Director under Section 257 of the Act, be and is hereby appointed as a Director of the Company."
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 and subject to the approval of the Central Government, if required, consent and approval of the Company be and is hereby accorded to the appointment of Mr. Uday Kotak as a Whole-time Director of the Company, designated as Executive Vice Chairman and Managing Director, for an initial period of five years with effect from 1<sup>st</sup> August 2002, on the terms and conditions including as to remuneration, perquisites, benefits and facilities set out in the Agreement dated 30th July 2002 entered into between the Company and Mr. Uday Kotak, 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. Uday Kotak including the monetary value thereof as specified in the aforementioned Agreement to the extent the Board of Directors 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 if there are any limits prescribed by the Act in respect of remuneration payable, then the remuneration payable to Mr. Uday Kotak 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 or as may be approved by the Central Government, as the case may be, and the terms of the aforesaid Agreement between the Company and Mr. Uday Kotak 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 business under Item 6 and 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, 24<sup>th</sup> September to Thursday, 26<sup>th</sup> September 2002, 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 Friday, 27<sup>th</sup> September 2002, to those shareholders whose names appear on the Register of Members of the Company on Thursday, 26<sup>th</sup> September 2002. 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. 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.
6. 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, karts of Hindu undivided families, partnership firms, societies, trusts and holders of Power of Attorney.





## Kotak Mahindra Finance Limited

7. The Equity shares of the Company are listed for trading on the following Stock Exchanges :
- The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001;
  - National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai- 400 051;
  - The Stock Exchange - Ahmedabad, Kamdhenu Complex, Panjara Pole, Ahmedabad - 380 015;
  - The Delhi Stock Exchange Association Limited, DSE House, 3/1, Asaf Ali Road, New Delhi - 110 002;
  - 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 2002-03.
- Pursuant to the approval of Members by way of a Special Resolution, the Company has applied to the Stock Exchanges listed at (iii), (iv) and (v) above for voluntary de-listing of the Company's shares.
8. 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 29<sup>th</sup> November 1999. The equity shares of the Company have been activated for dematerialisation with the National Securities Depository Limited with effect from 4<sup>th</sup> August 1998 and with the Central Depository Services (India) Limited with effect from 26<sup>th</sup> February 1999 vide ISIN INE237A01010.

By order of the Board of Directors

N.J.N.VAZIFDAR  
Vice President & Secretary

Mumbai, July 30, 2002.

### 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 6, 7 and 8 of the accompanying Notice dated July 30, 2002.

#### Item 6

One of the joint Auditors of the Company, Messrs. C.C. Chokshi & Co., Chartered Accountants, vide their letter dated July 9<sup>th</sup>, 2002, have informed the Company of their unwillingness to act as Auditors of the Company. The Company has, however, received a letter from Messrs. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, conveying their willingness to act as joint Auditors of the Company, if appointed and also intimating compliance of limits under Section 224 (1-B) of the Companies Act, 1956.

It is proposed to appoint Messrs. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, as Joint Auditors of the Company alongwith Messrs. V. C. Shah & Co., Chartered Accountants, from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting.

The Directors commend the Resolution at Item 6 for the approval of the Members.

No Director is concerned or interested in the passing of this Resolution.

#### Item 7

Mr. Ajay Sondhi was appointed as an Additional Director of the Company with effect from 1<sup>st</sup> July 2002 and, pursuant to the proviso to Section 260 of the Companies Act, 1956, ("the Act") he holds office as a Director only upto the date of this Annual General Meeting but is eligible to be appointed as a Director. The Company has received the required notice pursuant to the provisions of Section 257 of the Act from a Member signifying his intention to propose the appointment of Mr. Ajay Sondhi as a Director of the Company. Mr. Sondhi has filed his consent, pursuant to the provisions of Section 264 of the Act, to act as a Director, if appointed. The relevant particulars in respect of Mr. Sondhi are given in the Report on Corporate Governance.

The Directors commend the Resolution at Item 7 for the approval of the Members.

Mr. Sondhi may be deemed to be concerned or interested in the Resolution relating to his appointment.

#### Item 8

At the Meeting of the Board of Directors of the Company held on 30<sup>th</sup> July 2002, Mr. Uday Kotak was appointed as a Whole-time Director of the Company, designated as Executive Vice Chairman & Managing Director, for a period of five years with effect from 1<sup>st</sup> August 2002, on the terms and conditions including as to remuneration, perquisites, benefits and facilities set out in the Agreement submitted to this Meeting.

The Resolution at Item 8 seeks to obtain the Members' approval to the appointment of and payment of remuneration to Mr. Uday Kotak as set out in the Agreement dated 30<sup>th</sup> July 2002 entered into between the Company and Mr. Uday Kotak, a copy of which is 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 Resolution at Item 8 for the approval of the Members.

Mr. Uday Kotak may be deemed to be concerned or interested in the Resolution relating to his appointment and remuneration.

By order of the Board of Directors

N.J.N.VAZIFDAR  
Vice President & Secretary

Mumbai, July 30, 2002.



## Kotak Mahindra Finance Limited (Consolidated)

### AUDITORS' REPORT

#### TO THE BOARD OF DIRECTORS OF KOTAK MAHINDRA FINANCE LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KOTAK MAHINDRA FINANCE LIMITED AND ITS SUBSIDIARIES

We have examined the attached Consolidated Balance Sheet of Kotak Mahindra Finance Limited and its subsidiaries as at 31st March 2002, and the Consolidated Profit and Loss Account for the year then ended.

These financial statements are the responsibility of the management of Kotak Mahindra Finance Limited. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not jointly audit the financial statements of subsidiaries, whose financial statements reflect total assets of Rs. 241385 lakhs as at 31st March 2002 and total revenues of Rs. 49154 lakhs for the year then ended. These financial statements have been audited by either of us in our individual capacities and / or jointly with other auditors, or by other auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the reports of the respective auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Kotak Mahindra Finance Limited and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of Kotak Mahindra Finance Limited and its aforesaid subsidiaries, we are of the opinion that:

- (a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Kotak Mahindra Finance Limited and its subsidiaries as at 31st March 2002; and
- (b) the Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Kotak Mahindra Finance Limited and its subsidiaries for the year then ended.

For C.C. CHOKSHI & CO.  
Chartered Accountants  
R. LAXMINARAYAN  
Partner

For V.C. SHAH & CO.  
Chartered Accountants  
V. C. SHAH  
Partner

Mumbai, July 30, 2002