CRISIL Ratings

Rating Rationale

March 22, 2024 | Mumbai

Kotak Mahindra Prime Limited

'CRISIL AAA/Stable' assigned to Non Convertible Debentures

Rating Action

Total Bank Loan Facilities Rated	Rs.10000 Crore
Long Term Rating	CRISIL AAA/Stable (Reaffirmed)
Short Term Rating	CRISIL A1+ (Reaffirmed)

Rs.2500 Crore Non Convertible Debentures	CRISIL AAA/Stable (Assigned)
Rs.1785 Crore Non Convertible Debentures	CRISIL AAA/Stable (Withdrawn)
Rs.9000 Crore Commercial Paper	CRISIL A1+ (Reaffirmed)
Rs.6500 Crore Commercial Paper Programme (IPO Financing)[&]	CRISIL A1+ (Reaffirmed)
Long Term Principal Protected Market Linked Debentures Aggregating Rs.981.8 Crore	CRISIL PPMLD AAA/Stable (Reaffirmed)
Long Term Principal Protected Market Linked Debentures Aggregating Rs.50 Crore	CRISIL PPMLD AAA/Stable (Withdrawn)
Non Convertible Debentures Aggregating Rs.17638.9 Crore	CRISIL AAA/Stable (Reaffirmed)
Subordinated Debt Aggregating Rs.253.3 Crore	CRISIL AAA/Stable (Reaffirmed)

&Assigned for application on proprietary account and is over and above Rs 9,000 crore commercial paper programme
Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings' has assigned its **'CRISIL AAA/Stable'** rating to Rs.2500 crore Non-convertible debentures of Kotak Mahindra Prime Limited (KMPL). Ratings on the other debt instruments and bank facilities have been reaffirmed at 'CRISIL AAA/CRISIL PPMLD AAA/Stable/CRISIL A1+'.

CRISIL Ratings has also **withdrawn** its rating of Rs.1785 crore NCDs and Rs 50 crore of long term principle protected market linked debentures in line with its withdrawal policy (See 'Annexure Details of Rating Withdrawn' for details). CRISIL Ratings has received independent confirmation that these instruments are fully redeemed.

The ratings on the debt instruments of Kotak Mahindra Prime Ltd (KMPL; part of the Kotak group, which is Kotak Mahindra Bank Ltd [KMBL; rated 'CRISIL AAA/CRISIL AA+[(1)]/Stable/CRISIL A1+'] and its subsidiaries and associates) continue to factor in the company's strategic importance to, and expectation of support from its ultimate parent, KMBL. The ratings also factor in KMPL's comfortable capitalization. These strengths are partially offset by limited diversification in the retail lending space.

Overall delinquencies augmented with gross non-performing assets decreasing to 2.4% as on March 31, 2023 from 3.1% as on March 31, 2022 and it stood at 2.4% as on December 31, 2023 as well. The company's asset quality has been improving along with, comfortable capitalisation providing cushion against asset-side risks in the current difficult macro environment.

[(1)]For Perpetual Non-Cumulative Preference Shares

Analytical Approach

The ratings reflect the support that KMPL receives from its parent, KMBL. This is because KMPL and KMBL have extensive business and operational linkages and a common brand. CRISIL Ratings believes that KMBL will continue to provide support to KMPL considering the strategic importance of the entity and shared name and 100% ultimate shareholding.

Key Rating Drivers & Detailed Description

Strengths:

Expectation of support from the ultimate parent, KMBL

KMPL is an important subsidiary for KMBL, as it undertakes car financing business for the group and supports its product offering and revenue profile. It is an important growth engine for the Kotak group in the retail finance space, with a strong presence in the car finance sector with loan book of Rs.27,392 crore (incl. retail auto loan book and dealer funding book) as on December 31, 2023, and forms 84% of total loan book of KMPL. Further, there exists strong operational and managerial integration between KMBL and KMPL. The latter benefits from the robust retail franchise and nation-wide branch infrastructure of the parent. KMBL shares its strong technology platform and risk management practices with the company. KMPL also has board representation from KMBL. The bank is the ultimate 100% shareholder of KMPL and CRISIL Ratings believes KMBL will provide both funding and capital assistance to KMPL, if required. The extensive operational, managerial, and financial linkages, along with significant holding and shared brand name, imply a support from KMBL to KMPL.

Comfortable capitalisation:
KMPL is well capitalised, with networth and gearing of Rs 11,251 crore and 2.4 times, respectively, as on December 31, 2023 increasing from Rs 10,239 crore as on March 31, 2023. The overall capital adequacy ratio stood at 23% as on December 31, 2023 and 28.5% as on March 31, 2023. Given the healthy asset quality, asset side risk cover also remains comfortable, with a networth to net NPAs ratio at ~35 times as on December 31, 2023. Capitalisation is expected to remain comfortable backed by steady internal cash accrual, and capital support from KMBL as and when needed.

Weakness:
Limited diversification in the retail lending space
KMPL is focused towards the auto financing segment and has built a niche position therein, given its expertise in the higher-end car segment and established relationships with manufacturers and dealers. Of the total loan book of Rs 32,647 crore as on December 31, 2023, ~84% was towards retail auto loans and dealer financing. This leads to limited diversification in the portfolio of the entity, exposing it to risks/unfavourable developments in that particular segment. However, KMPL has also ventured into loan against property business , although the book currently is only 10% of the total loan book as on December 31, 2023, it is expected to add to the diversification.

Further, the size of the loan book remains modest in relation to the overall lending space. KMPL is expected to have limited diversification over the medium term.

Liquidity: Superior
The asset liability management profile was comfortable as on December 31, 2023, with positive cumulative mismatches in all buckets. KMPL had liquidity of Rs 6,814 crore as on January 31, 2024, comprising of government securities, cash balance and unutilised bank lines. This is against repayments of Rs 6,548 crore up to June 30, 2024. Liquidity remains supported by regular collection and option to securitise loans. The company also benefits from the linkages with the Kotak group.

Outlook: Stable
CRISIL Ratings believes KMPL will continue to benefit from the managerial, operational and financial linkages with KMBL and will maintain its healthy asset quality and comfortable capitalisation.

Rating Sensitivity Factors
Downward Factors:
* Downward change in the credit risk profile of KMBL by 1 notch could have a similar rating change on KMPL
* Any material change in the shareholding or group support philosophy of KMBL

About the Company
KMPL has a niche position in the car finance segment, given its expertise in the higher-end car segment and established relationships with manufacturers and dealers. The loan book was Rs 32,647 crore as on December 31, 2023, of which ~84% was towards retail auto loans and dealer financing. Rest~16% was contributed by loan against property, commercial real estate financing, and corporate loans.

Profit after tax (PAT) was Rs 947 crore on total income of Rs 2,994 crore for fiscal 2023, against Rs 975 crore and Rs 2,626 crore, respectively for fiscal 2022. For the 9-month ended December 31, 2023, PAT was Rs 662 crore on total income of Rs 2846 crore

About the Group
KMBL is the flagship company of the Kotak group and has diversified operations covering commercial vehicle financing, consumer loans, corporate finance and asset reconstruction. Through its subsidiaries, the bank is engaged in investment banking, equity broking, securities-based lending and car finance. KMBL was reconstituted as a commercial bank from a non-banking financial company (NBFC) in fiscal 2003 to provide a more comprehensive range of financial services. Effective April 1, 2015, ING Vysya Bank was merged with KMBL.

Other than KMBL, the key operating companies of the Kotak group are Kotak Mahindra Prime Ltd (car financing), Kotak Mahindra Capital Company (investment banking), Kotak Securities Ltd (retail and institutional equities broking, and portfolio management services), Kotak Mahindra Investments Ltd (commercial real estate lending and securities-based lending) and Kotak Investment Advisors Ltd (alternate assets space). The group also operates in the life and general insurance business through Kotak Mahindra Life Insurance Company Ltd and Kotak Mahindra General Insurance Company Ltd, respectively. It is also present in the asset management business through Kotak Mahindra AMC and Trustee Company Ltd, and recently launched Kotak Infrastructure Debt Fund. The acquisition of BSS Microfinance Ltd (formerly, BSS Microfinance Pvt Ltd), an NBFC-microfinance institution, was completed during fiscal 2018.

Key Financial Indicators

Particulars	Unit	9MFY24	FY 23	FY 22	FY 21
Total assets	Rs crore	40007	34107	30127	27083
Total income	Rs crore	2846	2994	2626	2592
Profit after tax	Rs crore	662	947	975	519
Gross NPAs	%	2.4	2.4	3.1	4.3
Capital adequacy ratio	%	23	28.5	30.9	29.6
Return on assets	%	2.4	2.9	3.4	1.8

Any other information: Not Applicable

Note on complexity levels of the rated instrument:
CRISIL Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of the Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue size (Rs.Crore)	Complexity Level	Rating assigned with outlook
INE916DA7RA8	Debenture	30-Apr-2021	5.6634	19-Apr-2024	200	Simple	CRISIL AAA/Stable
INE916DA7RB6	Debenture	25-May-2021	5.55	20-May-2024	200	Simple	CRISIL AAA/Stable
INE916DA7RC4	Debenture	21-Jun-2021	5.4	21-Jun-2024	550	Simple	CRISIL AAA/Stable
INE916DA7RD2	Debenture	23-Jul-2021	5.7	19-Jul-2024	255	Simple	CRISIL AAA/Stable
INE916DA7RF7	Debenture	22-Sep-2021	5.4	20-Sep-2024	525	Simple	CRISIL AAA/Stable
INE916DA7RI1	Debenture	29-Oct-2021	5.74	22-Oct-2024	765	Simple	CRISIL AAA/Stable
INE916DA7RJ9	Debenture	7-Dec-2021	5.7926	20-Nov-2024	310	Simple	CRISIL AAA/Stable
INE916DA7RM3	Debenture	17-Mar-2022	6.2	17-Mar-2025	500	Simple	CRISIL AAA/Stable
INE916DA7RN1	Debenture	6-May-2022	6.55	22-Apr-2025	450	Simple	CRISIL AAA/Stable
INE916DA7RO9	Debenture	6-Jul-2022	Zero Coupon Bonds	17-Jan-2025	275	Simple	CRISIL AAA/Stable
INE916DA7RP6	Debenture	19-Jul-2022	7.79	19-Jul-2027	200	Simple	CRISIL AAA/Stable
INE916DA7RQ4	Long-term principal protected market-linked debentures	2-Aug-2022	10YEAR GSEC LINKED	7-Jul-2025	60	Highly Complex	CRISIL PPMLD AAA/Stable
INE916DA7RS0	Debenture	26-Aug-2022	7.475	20-Aug-2026	575	Simple	CRISIL AAA/Stable
INE916DA7RR2	Debenture	26-Aug-2022	7.38	20-Aug-2025	500	Simple	CRISIL AAA/Stable
INE916DA7RT8	Debenture	16-Sep-2022	7.37	16-Sep-2025	525	Simple	CRISIL AAA/Stable
NA	Subordinated debt*	NA	NA	NA	253.3	Complex	CRISIL AAA/Stable
NA	Long-term principal protected market- linked debentures*	NA	NA	NA	421.8	Highly Complex	CRISIL PPMLD AAA/Stable
NA	Commercial paper programme	NA	NA	7-365 days	9000	Simple	CRISIL A1+
NA	Commercial paper programme (ipo financing)**	NA	NA	7-30 Days	6500	Simple	CRISIL A1+
NA	Long-term principal protected market-linked debentures*	NA	NA	NA	500	Highly Complex	CRISIL PPMLD AAA/Stable
NA	Debenture*	NA	NA	NA	2500	Simple	CRISIL AAA/Stable
NA	Debenture*	NA	NA	NA	619.9	Simple	CRISIL AAA/Stable
INE916DA7RX0	Debenture	4-Nov-2022	7.9866	17-Sep-2027	200	Simple	CRISIL AAA/Stable
INE916DA7RY8	Debenture	15-Nov-2022	7.8955	23-Dec-2024	600	Simple	CRISIL AAA/Stable
INE916DA7RZ5	Debenture	15-Nov-2022	7.8815	17-Feb-2025	425	Simple	CRISIL AAA/Stable
INE916DA7RU6	Debenture	12-Oct-2022	7.8376	21-Jul-2025	440	Simple	CRISIL AAA/Stable
INE916DA7RW2	Debenture	25-Oct-2022	7.924	20-Feb-2026	670	Simple	CRISIL AAA/Stable
INE916DA7SA6	Debenture	14-Dec-2022	7.7968	12-Dec-2025	560	Simple	CRISIL AAA/Stable
INE916DA7SB4	Debenture	13-Jan-2023	7.9	13-Jan-2026	440	Simple	CRISIL AAA/Stable
INE916DA7SC2	Debenture	13-Jan-2023	7.8779	20-May-2025	510	Simple	CRISIL AAA/Stable
INE916DA7RV4	Debenture	12-Oct-2022	Zero coupon	20-Oct-2025	414	Simple	CRISIL AAA/Stable

			Bonds				
INE916DA7SD0	Debenture	15-Feb-2023	7.92	20-Nov-2025	475	Simple	CRISIL AAA/Stable
INE916DA7SE8	Debenture	28-Feb-2023	8.05	28-Feb-2028	185	Simple	CRISIL AAA/Stable
INE916DA7SF5	Debenture	14-Mar-2023	8.255	22-Jun-2026	500	Simple	CRISIL AAA/Stable
INE916DA7SG3	Debenture	14-Mar-2023	8.25	20-Jun-2025	575	Simple	CRISIL AAA/Stable
INE916DA7SH1	Debenture	17-Apr-2023	7.97	22-May-2026	420	Simple	CRISIL AAA/Stable
INE916DA7SI9	Debenture	22-May-2023	7.835	10-Jul-2026	450	Simple	CRISIL AAA/Stable
INE916DA7SJ7	Debenture	13-Jul-2023	7.83	13-Jul-2028	325	Simple	CRISIL AAA/Stable
INE916DA7SK5	Debenture	16-Oct-2023	8.1	10-Apr-2026	500	Simple	CRISIL AAA/Stable
INE916DA7SL3	Debenture	9-Nov-2023	8.09	9-Nov-2026	600	Simple	CRISIL AAA/Stable
INE916DA7SM1	Debenture	15-Dec-2023	8.2	15-Dec-2028	650	Simple	CRISIL AAA/Stable
NA	Long-term loan	29-Mar-2023	NA	28-Mar-2028	150	NA	CRISIL AAA/Stable
NA	Long-term loan	20-Sep-2022	NA	20-Mar-2026	250	NA	CRISIL AAA/Stable
NA	Long-term loan	31-Dec-2022	NA	30-Jun-2026	100	NA	CRISIL AAA/Stable
NA	Long-term loan	27-02-2023	NA	27-Aug-2026	150	NA	CRISIL AAA/Stable
NA	Long-term loan	30-Mar-2022	NA	29-Mar-2025	100	NA	CRISIL AAA/Stable
NA	Long-term loan	12-Jul-2023	NA	12-Jul-2028	500	NA	CRISIL AAA/Stable
NA	Long-term loan	24-Jan-2022	NA	24-Jan-2025	50	NA	CRISIL AAA/Stable
NA	Long-term loan	14-Mar-2022	NA	14-Mar-2025	50	NA	CRISIL AAA/Stable
NA	Long-term loan	26-Sep-2023	NA	26-Sep-2028	250	NA	CRISIL AAA/Stable
NA	Long-term loan	30-Sep-2023	NA	30-Sep-2028	300	NA	CRISIL AAA/Stable
NA	Long-term loan	28-Sep-2023	NA	28-Sep-2026	250	NA	CRISIL AAA/Stable
NA	Long-term loan	28-Sep-2023	NA	28-Sep-2028	500	NA	CRISIL AAA/Stable
NA	Cash credit and working capital demand loan	NA	NA	NA	5471	NA	CRISIL AAA/Stable
NA	Proposed long-term bank loan facility^	NA	NA	NA	1379	NA	CRISIL AAA/Stable
NA	Proposed short-term bank loan facility^^	NA	NA	NA	500	NA	CRISIL A1+
INE916DA7SN9	Debenture	11-Jan-2024	8.2	11-Jan-2027	650	Simple	CRISIL AAA/Stable
INE916DA7SO7	Debenture	21-Feb-2024	8.225	21-Apr-2027	650	Simple	CRISIL AAA/Stable
INE916DA7SP4	Debenture	21-Feb-2024	8.23	21-Dec-2026	450	Simple	CRISIL AAA/Stable
INE916DA7SQ2	Debenture	15-Mar-2024	8.05%	15-Mar-2029	500	Simple	CRISIL AAA/Stable

*Yet to be issued
**Assigned for application on proprietary account and is over and above Rs 9,000 crore commercial paper programme
^Interchangeable with short term bank facilities
^^Interchangeable with long term bank facilities

Annexure - Details of Rating Withdrawn

ISIN	Name of the instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue size (Rs.Crore)	Complexity Level	Rating assigned with outlook
INE916DA7QV6	Debenture	1-Mar-	Zero Coupon	19-Jan-	385	Simple	Withdrawn

		2021	Bonds	2024			
INE916DA7QW4	Debenture	1-Mar-2021	5.8	20-Feb-2024	600	Simple	Withdrawn
INE916DA7QX2	Debenture	16-Mar-2021	6	15-Mar-2024	800	Simple	Withdrawn
INE916DA7RL5	Long-term principal protected market- linked debentures	23-Feb-2022	10YEAR GSEC LINKED	4-Mar-2024	50	Highly Complex	Withdrawn

Annexure - Rating History for last 3 Years

	Current			2024 (History)		2023		2022		2021		Start of 2021
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT/ST	10000.0	CRISIL A1+ / CRISIL AAA/Stable	25-01-24	CRISIL A1+ / CRISIL AAA/Stable	08-12-23	CRISIL A1+ / CRISIL AAA/Stable	26-12-22	CRISIL A1+ / CRISIL AAA/Stable	13-10-21	CRISIL A1+ / CRISIL AAA/Stable	CRISIL A1+ / CRISIL AAA/Stable
			--	02-01-24	CRISIL A1+ / CRISIL AAA/Stable	13-10-23	CRISIL A1+ / CRISIL AAA/Stable	06-10-22	CRISIL A1+ / CRISIL AAA/Stable	27-09-21	CRISIL A1+ / CRISIL AAA/Stable	--
			--		--	04-09-23	CRISIL A1+ / CRISIL AAA/Stable	12-04-22	CRISIL A1+ / CRISIL AAA/Stable	03-06-21	CRISIL A1+ / CRISIL AAA/Stable	--
			--		--	24-04-23	CRISIL A1+ / CRISIL AAA/Stable	11-02-22	CRISIL A1+ / CRISIL AAA/Stable		--	--
			--		--	06-03-23	CRISIL A1+ / CRISIL AAA/Stable	03-02-22	CRISIL A1+ / CRISIL AAA/Stable		--	--
			--		--	07-02-23	CRISIL A1+ / CRISIL AAA/Stable		--		--	--
Commercial Paper	ST	9000.0	CRISIL A1+	25-01-24	CRISIL A1+	08-12-23	CRISIL A1+	26-12-22	CRISIL A1+	13-10-21	CRISIL A1+	CRISIL A1+
			--	02-01-24	CRISIL A1+	13-10-23	CRISIL A1+	06-10-22	CRISIL A1+	27-09-21	CRISIL A1+	--
			--		--	04-09-23	CRISIL A1+	12-04-22	CRISIL A1+	03-06-21	CRISIL A1+	--
			--		--	24-04-23	CRISIL A1+	11-02-22	CRISIL A1+		--	--
			--		--	06-03-23	CRISIL A1+	03-02-22	CRISIL A1+		--	--
			--		--	07-02-23	CRISIL A1+		--		--	--
Commercial Paper Programme(IPO Financing)	ST	6500.0	CRISIL A1+	25-01-24	CRISIL A1+	08-12-23	CRISIL A1+	26-12-22	CRISIL A1+	13-10-21	CRISIL A1+	CRISIL A1+
			--	02-01-24	CRISIL A1+	13-10-23	CRISIL A1+	06-10-22	CRISIL A1+	27-09-21	CRISIL A1+	--
			--		--	04-09-23	CRISIL A1+	12-04-22	CRISIL A1+	03-06-21	CRISIL A1+	--
			--		--	24-04-23	CRISIL A1+	11-02-22	CRISIL A1+		--	--
			--		--	06-03-23	CRISIL A1+	03-02-22	CRISIL A1+		--	--
			--		--	07-02-23	CRISIL A1+		--		--	--
Nifty Linked Debentures	LT		--		--		--	11-02-22	Withdrawn	13-10-21	CRISIL PPMLD AAA r /Stable	CRISIL PPMLD AAA r /Stable
			--		--		--	03-02-22	CRISIL PPMLD AAA r /Stable	27-09-21	CRISIL PPMLD AAA r /Stable	--
			--		--		--		--	03-06-21	CRISIL PPMLD AAA r /Stable	--
Non Convertible Debentures	LT	20138.9	CRISIL AAA/Stable	25-01-24	CRISIL AAA/Stable	08-12-23	CRISIL AAA/Stable	26-12-22	CRISIL AAA/Stable	13-10-21	CRISIL AAA/Stable	CRISIL AAA/Stable
			--	02-01-24	CRISIL AAA/Stable	13-10-23	CRISIL AAA/Stable	06-10-22	CRISIL AAA/Stable	27-09-21	CRISIL AAA/Stable	--

			--		--	04-09-23	CRISIL AAA/Stable	12-04-22	CRISIL AAA/Stable	03-06-21	CRISIL AAA/Stable	--
			--		--	24-04-23	CRISIL AAA/Stable	11-02-22	CRISIL AAA/Stable		--	--
			--		--	06-03-23	CRISIL AAA/Stable	03-02-22	CRISIL AAA/Stable		--	--
			--		--	07-02-23	CRISIL AAA/Stable		--		--	--
Subordinated Debt	LT	253.3	CRISIL AAA/Stable	25-01-24	CRISIL AAA/Stable	08-12-23	CRISIL AAA/Stable	26-12-22	CRISIL AAA/Stable	13-10-21	CRISIL AAA/Stable	CRISIL AAA/Stable
			--	02-01-24	CRISIL AAA/Stable	13-10-23	CRISIL AAA/Stable	06-10-22	CRISIL AAA/Stable	27-09-21	CRISIL AAA/Stable	--
			--		--	04-09-23	CRISIL AAA/Stable	12-04-22	CRISIL AAA/Stable	03-06-21	CRISIL AAA/Stable	--
			--		--	24-04-23	CRISIL AAA/Stable	11-02-22	CRISIL AAA/Stable		--	--
			--		--	06-03-23	CRISIL AAA/Stable	03-02-22	CRISIL AAA/Stable		--	--
			--		--	07-02-23	CRISIL AAA/Stable		--		--	--
Long Term Principal Protected Market Linked Debentures	LT	981.8	CRISIL PPMLD AAA/Stable	25-01-24	CRISIL PPMLD AAA/Stable	08-12-23	CRISIL PPMLD AAA/Stable	26-12-22	CRISIL PPMLD AAA r /Stable	13-10-21	CRISIL PPMLD AAA r /Stable	CRISIL PPMLD AAA r /Stable
			--	02-01-24	CRISIL PPMLD AAA/Stable	13-10-23	CRISIL PPMLD AAA/Stable	06-10-22	CRISIL PPMLD AAA r /Stable	27-09-21	CRISIL PPMLD AAA r /Stable	--
			--		--	04-09-23	CRISIL PPMLD AAA/Stable	12-04-22	CRISIL PPMLD AAA r /Stable	03-06-21	CRISIL PPMLD AAA r /Stable	--
			--		--	24-04-23	CRISIL PPMLD AAA/Stable	11-02-22	CRISIL PPMLD AAA r /Stable		--	--
			--		--	06-03-23	CRISIL PPMLD AAA/Stable	03-02-22	CRISIL PPMLD AAA r /Stable		--	--
			--		--	07-02-23	CRISIL PPMLD AAA/Stable		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit & Working Capital Demand Loan	400	State Bank of India	CRISIL AAA/Stable
Cash Credit & Working Capital Demand Loan	100	Indian Bank	CRISIL AAA/Stable
Cash Credit & Working Capital Demand Loan	1396	Kotak Mahindra Bank Limited	CRISIL AAA/Stable
Cash Credit & Working Capital Demand Loan	200	Punjab and Sind Bank	CRISIL AAA/Stable
Cash Credit & Working Capital Demand Loan	450	HDFC Bank Limited	CRISIL AAA/Stable
Cash Credit & Working Capital Demand Loan	25	Bank of Maharashtra	CRISIL AAA/Stable
Cash Credit & Working Capital Demand Loan	200	Indian Bank	CRISIL AAA/Stable
Cash Credit & Working Capital Demand Loan	1100	Union Bank of India	CRISIL AAA/Stable
Cash Credit & Working Capital Demand Loan	1100	State Bank of India	CRISIL AAA/Stable
Cash Credit & Working Capital Demand Loan	500	State Bank of India	CRISIL AAA/Stable
Long Term Loan	100	Dhanlaxmi Bank Limited	CRISIL AAA/Stable
Long Term Loan	250	Indian Bank	CRISIL AAA/Stable
Long Term Loan	500	Union Bank of India	CRISIL AAA/Stable
Long Term Loan	150	Indian Bank	CRISIL AAA/Stable

Long Term Loan	250	Kotak Mahindra Bank Limited	CRISIL AAA/Stable
Long Term Loan	300	The Jammu and Kashmir Bank Limited	CRISIL AAA/Stable
Long Term Loan	500	State Bank of India	CRISIL AAA/Stable
Long Term Loan	600	Punjab and Sind Bank	CRISIL AAA/Stable
Proposed Long Term Bank Loan Facility^	1379	Not Applicable	CRISIL AAA/Stable
Proposed Short Term Bank Loan Facility^^	500	Not Applicable	CRISIL A1+

^Interchangeable with short term bank facilities
^^Interchangeable with long term bank facilities

Criteria Details

Links to related criteria
CRISILs Bank Loan Ratings - process, scale and default recognition
Rating Criteria for Finance Companies
CRISILs Criteria for rating short term debt

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RL/KOTMAHP/338865/NCD/0424/84568/168549365
April 10, 2024

Mr. Vyomesh Kapasi
Chief Executive Officer
Kotak Mahindra Prime Limited
Kotak Towers, 4th Floor, Building No. 21
Infinity Park, Off Western Express Highway
Goregaon Mulund Link Road, Malad (East)
Mumbai City - 400097
9920990069

Dear Mr. Vyomesh Kapasi,

Re: CRISIL rating on the Rs.20138.9 Crore Non Convertible Debentures of Kotak Mahindra Prime Limited.

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

Please refer to our rating letter dated March 22, 2024 bearing Ref. no: RL/KOTMAHP/338865/NCD/0324/82303/168549365 & RL/KOTMAHP/338865/NCD/0324/82302/90103654

Rating outstanding on the captioned debt instruments is "CRISIL AAA/Stable" (pronounced as "CRISIL triple A rating" with Stable outlook). Securities with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such securities carry lowest credit risk..

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

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Should you require any clarifications, please feel free to contact us.

With warm regards,

Yours sincerely,

CRISIL

Aesha Maru
Associate Director - CRISIL Ratings

Nivedita Shibu
Director - CRISIL Ratings

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April 15, 2024

Kotak Mahindra Prime Limited: [ICRA]AAA (Stable) assigned to NCD programme; other ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debentures	-	2,500.00	[ICRA]AAA (Stable); assigned
Non-convertible debentures	7,175.90	7,175.90	[ICRA]AAA (Stable); reaffirmed
Commercial paper (IPO financing) programme ^	6,500.00	6,500.00	[ICRA]A1+; reaffirmed
Commercial paper programme	9,000.00	9,000.00	[ICRA]A1+; reaffirmed
Subordinated debt programme	400.30	400.30	[ICRA]AAA (Stable); reaffirmed
Nifty linked debentures	41.25	41.25	PP-MLD[ICRA]AAA (Stable); reaffirmed
Long-term bank lines – Unallocated	6,391.00	6,391.00	[ICRA]AAA (Stable); reaffirmed
Total	**29,508.45**	**32,008.45**	

**Instrument details are provided in Annexure I*

^Assigned for application on proprietary account

Rationale

The ratings are supported by Kotak Mahindra Prime Limited (KMPL) being the subsidiary of Kotak Mahindra Bank Limited (KMBL[1]). The ratings consider the shared brand name and supervision by a strong board. The ratings also factor in the company's demonstrated ability of managing the auto finance business for more than 25 years through various economic cycles, its healthy earnings profile and strong capitalisation. The company's capitalisation remains strong with a gearing of 2.4 times as on December 31, 2023. Given the healthy internal accruals, KMPL does not have any capital infusion requirements in the medium term, though ICRA expects capital support from KMBL, if required. The profitability remains healthy with a return on average total assets {RoTA; Profit after tax (PAT)/Average total assets (ATA)} of 3.0% in FY2023 (3.4% in FY2022).

The company's asset quality had been impacted by the Covid-19 pandemic and the resultant slowdown in economic activity. However, the asset quality improved with the gross and net stage 3 at 2.4% and 1.0%, respectively, as on December 31, 2023 (3.1% and 1.6%, respectively, as on March 31, 2022). Further, KMPL's strong credit assessment process and its track record of managing cycles in the auto financing industry provide comfort. The corporate portfolio (5% of the assets under management (AUM) as on December 31, 2023) is, however, exposed to the inherent risks associated with real estate loans and lumpiness. This portfolio has declined gradually over the past few years. KMPL's strong credit underwriting process and adequate structural mechanisms, in terms of security cover and exclusive charge on most of the underlying assets and escrow accounts to route project cash flows, provide comfort. While the company has been diversifying its AUM in new retail products such as loan against property (LAP), passenger vehicle finance (including dealer financing) continued to account for 72% of the AUM as on December 31, 2023. Moreover, as the LAP portfolio seasons, the asset quality of this segment will also be a monitorable.

The Stable outlook reflects ICRA's expectation of continued benefit from the company's parentage, including capital support if required, financial flexibility as it is a part of the Kotak Group, and operational synergies with the Group.

[1] *Rated [ICRA]AAA (Stable) for infrastructure bond programme*

Key rating drivers and their description

Credit strengths

Strong parentage and capitalisation – KMBL holds a 51% stake in KMPL, while the balance is held by Kotak Securities Limited (KSL; rated [ICRA]AAA (Stable)/[ICRA]A1+), which, in turn, is a 100% subsidiary of KMBL. Consequently, KMPL enjoys strong financial and operational support from the Kotak Group, which in the past, has comprised access to capital, management and systems and supervision by a strong board. The company also benefits from its shared brand name with the Kotak Group.

With a net worth of Rs. 11,251 crore, KMPL is strongly capitalised and its capital adequacy ratio stood at 23.2% (Tier I of 22.6%) as on December 31, 2023. The capitalisation is supported by healthy profit accretion and the gearing stood at 2.4 times as on December 31, 2023 compared to 2.1 times as on March 31, 2022. KMPL's AUM grew by 14% YoY to Rs. 29,536 crore as on March 31, 2023 and further to Rs. 33,796 crore as on December 31, 2023. Given the company has been gradually scaling up its LAP portfolio, which has a relatively longer amortisation tenor, the growth in the loan portfolio is expected to be higher. However, given the healthy profitability, KMPL does not have any capital infusion requirements in the medium term, though capital support is expected from the parent, as and when required. Further, by virtue of being a part of the Kotak Group, KMPL enjoys considerable financial flexibility in raising long-term funds at competitive rates. It continues to have a strong liquidity profile with sufficient unutilised bank lines and no material asset liability mismatches.

Healthy profitability – With the growth in the loan portfolio, the net interest income grew by 13% to Rs. 1,629 crore in FY2023 and the net interest margin (NIM) largely remained stable as the increase in the cost of borrowings was passed on to the customers. However, as the company is expanding its distribution network, the operating expense increased to 1.8% of ATA in FY2023 from 1.5% in FY2022. The credit costs remained low and the reversal of excess credit provisions with the improvement in the asset quality continued in FY2022 and FY2023 . The extent of reversal was, however, lower in FY2023 compared to FY2022. As a result, the RoTA declined to 3.0% in FY2023 from 3.4% in FY2022. KMPL reported a PAT of Rs. 948 crore in FY2023 against Rs. 975 crore in FY2022. KMPL's gross stage 3 assets reduced to 2.4% as on March 31, 2023 from 4.3% as on March 31, 2021. The collection efficiency, which dropped in FY2021 due to the pandemic-related lockdown, recovered to more than 100% in FY2022 and FY2023, resulting in a decline in the overall delinquencies.

With the normalisation of credit costs, the PAT for the company has been lower at Rs. 662 crore in 9M FY2024 compared to Rs. 715 crore in 9M FY2023.

Credit challenges

Loan book largely comprising passenger vehicle finance – With passenger vehicle loans and dealer financing forming a significant part (72% as on December 31, 2023) of its portfolio, the company's business is dependent on retail car sales volumes. ICRA takes comfort from KMPL's long and successful track record and strategic arrangements with various car manufacturers in India as their preferred financier. The company has ventured into the retail LAP segment (9% of the AUM as on December 31, 2023), which is expected to support its loan book diversification, though the asset quality of the same will be a monitorable as the loan book seasons. Further, within vehicle loans, KMPL has a presence in two-wheeler financing (~9% of the AUM as on December 31, 2023), while corporate loans declined to 5% as on December 31, 2023 (22% as on March 31, 2022).

Liquidity position: Strong

As on March 31, 2024, the company had unencumbered cash and cash equivalents of Rs. 2,801 crore and sanctioned and undrawn bank lines of Rs. 1,534 crore. This is adequate to meet the scheduled debt obligations for over three months. KMPL did not have any negative cumulative mismatches in the Statement of Structural Liquidity (SLS) as on February 29, 2024. It enjoys considerable financial flexibility as a part of the Kotak Group.

Rating sensitivities

Positive factors – Not applicable

Negative factors – A material change in the expected level of support from the parent or a material deterioration in the credit risk profile of the parent could warrant a rating downgrade.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Non-banking Finance Companies
Parent/Group support	Parent: Kotak Mahindra Bank Limited KMBL is the ultimate holding company of KMPL, with a direct and indirect stake of 100%. The ratings factor in the high likelihood of support from KMBL, given the shared brand name and representation on the board.
Consolidation/Standalone	Standalone

About the company

Kotak Mahindra Prime Limited (KMPL) was established as Kotak Mahindra Primus Limited in 1996 as a 60:40 joint venture between Kotak Mahindra Bank Limited (KMBL) and Ford Credit International (FCI). FCI exited the venture in 2005, and the company was subsequently renamed Kotak Mahindra Prime Limited. At present, KMBL has a 51% stake in KMPL, and the balance is held by Kotak Securities Limited, which is a wholly-owned step-down subsidiary of KMBL.

KMPL is one of the leading nationwide car finance companies and has strategic arrangements with various car manufacturers in India as their preferred financier. In addition to financing new and used cars, KMPL offers two-wheeler financing, inventory funding and infrastructure funding to car dealers. It also provides corporate advances to the customers of the Kotak Group. It entered the retail LAP segment in FY2022. The company has a network of 138 branches across the country, supported by direct market associates, brokers and agencies for distribution.

Key financial indicators (audited)

KMPL	FY2022	FY2023	9M FY2024^
Total income	2,626	2,994	2,846
Profit / (loss) after tax)	975	948	662
Total assets	30,127	34,108	NA
Return on assets	3.4%	3.0%	NA
Gross gearing (times)	2.1	2.2	2.4
Gross stage 3	3.1%	2.4%	2.4%
CRAR	30.9%	28.5%	23.2%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; ^Unaudited
Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2025)				Chronology of Rating History for the Past 3 Years						
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024				Date & Rating in FY2023	Date & Rating in FY2022	
					Apr 15, 2024	Dec 27, 2023	Nov 09, 2023	Jun 29, 2023		Oct 25, 2022	Feb 15, 2022	Aug 13, 2021
1	Commercial paper programme (IPO financing)	Short term	6,500.00	NA	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+		[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
2	Commercial paper programme	Short term	9,000.00	4,410.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+		[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
3	Subordinated debt programme	Long term	400.30	100.00	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)		[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
4	Subordinated debt programme	Long term	-	-	-	-	[ICRA]AAA (Stable); reaffirmed and withdrawn	[ICRA]AAA (Stable); reaffirmed and withdrawn		[ICRA]AAA (Stable); reaffirmed and withdrawn	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
5	Non-convertible debentures	Long term	2,500.00	-	[ICRA]AAA (Stable)	-	-	-		-	-	-
6	Non-convertible debentures	Long term	7,175.90	6,575.00	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)		[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
7	Non-convertible debentures	Long term	-	-	-	-	-	[ICRA]AAA (Stable); reaffirmed and withdrawn		[ICRA]AAA (Stable); reaffirmed and withdrawn	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
8	Nifty linked debentures	Long term	41.25	-	PP-MLD [ICRA]AAA (Stable)	PP-MLD [ICRA]AAA (Stable)	PP-MLD [ICRA]AAA (Stable)	PP-MLD [ICRA]AAA (Stable)		PP-MLD [ICRA]AAA (Stable)	PP-MLD [ICRA]AAA (Stable)	PP-MLD [ICRA]AAA (Stable)
9	Long-term bank lines – Unallocated	Long term	6,391.00	-	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)		[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)

As on April 03, 2024

Complexity level of the rated instruments

Instrument	Complexity Indicator
Commercial paper programme (IPO financing)	Very Simple
Commercial paper programme	Very Simple
Subordinated debt programme	Very Simple
Non-convertible debentures	Very Simple
Nifty linked debentures^	Moderately Complex
Long-term bank lines – Unallocated	Not Applicable

^The complexity indicator mentioned is subject to change when the terms of the instrument are eventually finalised

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE916D142D6	Commercial paper programme	Apr 24, 2023	7.69	Apr 05, 2024	450.00	[ICRA]A1+
INE916D142J3	Commercial paper programme	Jun 14, 2023	7.60	Apr 16, 2024	300.00	[ICRA]A1+
INE916D142L9	Commercial paper programme	Jul 12, 2023	7.62	May 07, 2024	400.00	[ICRA]A1+
INE916D142N5	Commercial paper programme	Jul 28, 2023	7.60	May 21, 2024	385.00	[ICRA]A1+
INE916D142O3	Commercial paper programme	Aug 03, 2023	7.60	Jun 05, 2024	450.00	[ICRA]A1+
INE916D143A0	Commercial paper programme	Dec 06, 2023	8.00	Jul 05, 2024	100.00	[ICRA]A1+
INE916D142R6	Commercial paper programme	Aug 22, 2023	7.80	Jul 22, 2024	400.00	[ICRA]A1+
INE916D142Q8	Commercial paper programme	Aug 07, 2023	7.60	Aug 05, 2024	560.00	[ICRA]A1+
INE916D142S4	Commercial paper programme	Aug 22, 2023	7.80	Aug 21, 2024	350.00	[ICRA]A1+
INE916D142W6	Commercial paper programme	Nov 09, 2023	7.95	Nov 05, 2024	325.00	[ICRA]A1+
INE916D143C6	Commercial paper programme	Feb 13, 2024	8.22	Feb 05, 2025	475.00	[ICRA]A1+
INE916D143E2	Commercial paper programme	Mar 06, 2024	8.10	Mar 05, 2025	215.00	[ICRA]A1+
Not yet placed	Commercial paper programme	-	-	-	4,590.00	[ICRA]A1+
INE916DA7RW2	Non-convertible debentures	Oct 25, 2022	7.92	Feb 20, 2026	670.00	[ICRA]AAA (Stable)
INE916DA7SH1	Non-convertible debentures	Apr 17, 2023	7.97	May 22, 2026	420.00	[ICRA]AAA (Stable)
INE916DA7SF5	Non-convertible debentures	Mar 14, 2023	8.26	Jun 22, 2026	500.00	[ICRA]AAA (Stable)
INE916DA7SI9	Non-convertible debentures	May 22, 2023	7.84	Jul 10, 2026	450.00	[ICRA]AAA (Stable)
INE916DA7RS0	Non-convertible debentures	Aug 26, 2022	7.48	Aug 20, 2026	575.00	[ICRA]AAA (Stable)
INE916DA7SL3	Non-convertible debentures	Nov 09, 2023	8.09	Nov 09, 2026	600.00	[ICRA]AAA (Stable)
INE916DA7SN9	Non-convertible debentures	Jan 11, 2024	8.20	Jan 11, 2027	650.00	[ICRA]AAA (Stable)
INE916DA7SO7	Non-convertible debentures	Feb 21, 2024	8.23	Apr 21, 2027	650.00	[ICRA]AAA (Stable)
INE916DA7RP6	Non-convertible debentures	Jul 19, 2022	7.79	Jul 19, 2027	200.00	[ICRA]AAA (Stable)
INE916DA7RX0	Non-convertible debentures	Nov 04, 2022	7.99	Sep 17, 2027	200.00	[ICRA]AAA (Stable)
INE916DA7SE8	Non-convertible debentures	Feb 28, 2023	8.05	Feb 28, 2028	185.00	[ICRA]AAA (Stable)
INE916DA7SJ7	Non-convertible debentures	Jul 13, 2023	7.83	Jul 13, 2028	325.00	[ICRA]AAA (Stable)
INE916DA7SM1	Non-convertible debentures	Dec 15, 2023	8.20	Dec 15, 2028	650.00	[ICRA]AAA (Stable)
INE916DA7SQ2	Non-convertible debentures	Mar 15, 2024	8.05	Mar 15, 2029	500.00	[ICRA]AAA (Stable)
Unutilised	Non-convertible debentures	-	-	-	3,100.90	[ICRA]AAA (Stable)
INE916D08DX4	Subordinated debt programme	Dec 07, 2017	8.25	Dec 07, 2027	100.00	[ICRA]AAA (Stable)
Unutilised	Subordinated debt programme	-	-	-	300.30	[ICRA]AAA (Stable)
Unutilised	Nifty Linked Debentures	-	-	-	41.25	PP-MLD [ICRA]AAA (Stable)
Unutilised	Long-term bank lines – Unallocated	-	-	-	6,391.00	[ICRA]AAA (Stable)
Not yet placed	Commercial paper programme (IPO financing)	NA	NA	7-30 days	6,500.00	[ICRA]A1+

Source: Company; As on April 03, 2024

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company Name	KMPL Ownership	Consolidation Approach
Not Applicable	Not Applicable	Not Applicable

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info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA

ICRA Limited

Registered Office

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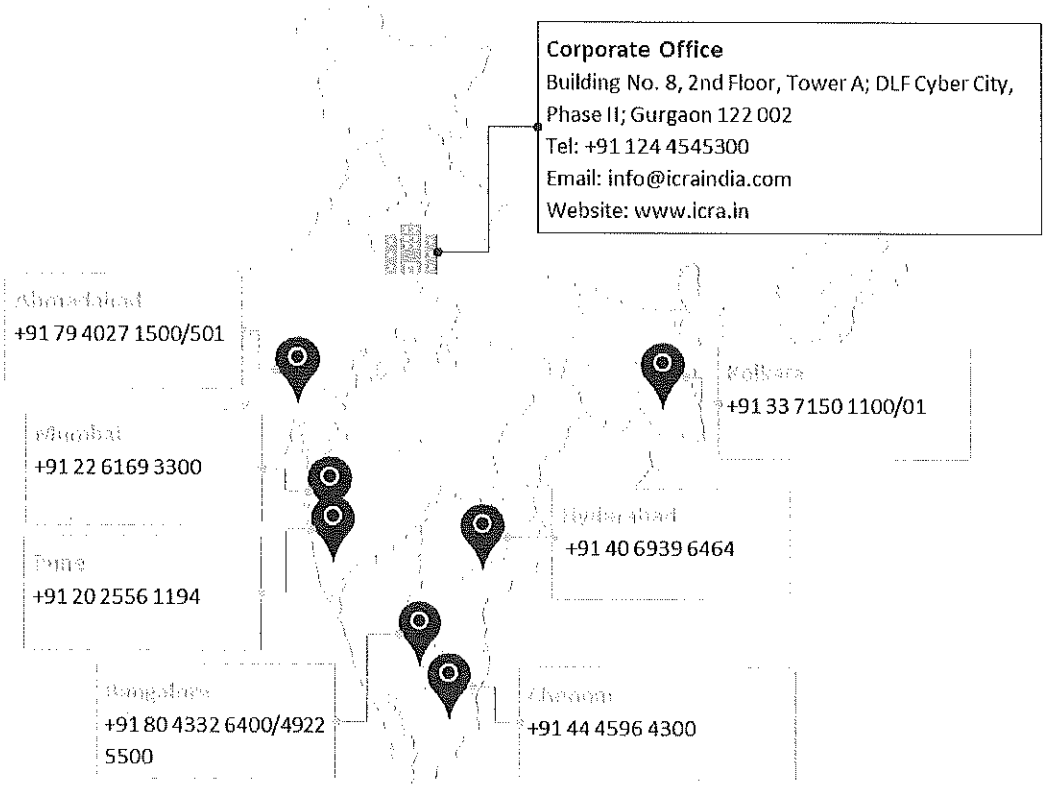
Branches



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ICRA

ICRA Limited

Ref: ICRA/Kotak Mahindra Prime Limited/10042024/5
Date: April 10, 2024

Ms. Mandira Dhar
Senior Vice President
Kotak Mahindra Prime Limited
Kotak Infiniti, 6th Floor,
Building No. 21, Infinity Park,
Off. Western Express Highway,
General A. K. Vaidya Marg, Malad (East)
Mumbai 400097.

Dear Madam,

Re: ICRA rating for Rs. 7,175.90-crore Non-Convertible Debentures (NCD) programme of Kotak Mahindra Prime Limited (instrument details in *Annexure*)

In terms of the Rating Agreement executed between Kotak Mahindra Prime Limited and ICRA Limited (ICRA), ICRA is required to review the rating, on an annual basis, or as and when the circumstances so warrant.

Please note that the Rating Committee of ICRA, after due consideration of the latest development in your company, has reaffirmed the rating of your NCD programme at **[ICRA]AAA** (pronounced as [ICRA] triple A). The outlook on the long-term rating is **Stable**. Instruments with [ICRA]AAA are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as **[ICRA]AAA(Stable).**

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned.

ICRA reserves the right to review and/ or, revise the above rating at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the instruments issued by you.

ICRA

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Please let us know if you need any clarification.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,
Yours sincerely,
For ICRA Limited

ANIL GUPTA Digitally signed by ANIL GUPTA Date: 2024.04.10 13:03:45 +05'30'

Anil Gupta
Senior Vice President
anilg@icraindia.com

Annexure: Details of Non-Convertible Debenture Rated by ICRA

ISIN	Date of issuance	Date of Maturity	Amount (in Rs. crore)	Rating
INE916DA7RW2	Oct 25, 2022	Feb 20, 2026	670.00	[ICRA]AAA (stable)
INE916DA7SH1	Apr 17, 2023	May 22, 2026	420.00	[ICRA]AAA (stable)
INE916DA7SF5	Mar 14, 2023	Jun 22, 2026	500.00	[ICRA]AAA (stable)
INE916DA7SI9	May 22, 2023	Jul 10, 2026	450.00	[ICRA]AAA (stable)
INE916DA7RS0	Aug 26, 2022	Aug 20, 2026	575.00	[ICRA]AAA (stable)
INE916DA7SL3	Nov 09, 2023	Nov 09, 2026	600.00	[ICRA]AAA (stable)
INE916DA7SN9	Jan 11, 2024	Jan 11, 2027	650.00	[ICRA]AAA (stable)
INE916DA7SO7	Feb 21, 2024	Apr 21, 2027	650.00	[ICRA]AAA (stable)
INE916DA7RP6	Jul 19, 2022	Jul 19, 2027	200.00	[ICRA]AAA (stable)
INE916DA7RX0	Nov 04, 2022	Sep 17, 2027	200.00	[ICRA]AAA (stable)
INE916DA7SE8	Feb 28, 2023	Feb 28, 2028	185.00	[ICRA]AAA (stable)
INE916DA7SJ7	Jul 13, 2023	Jul 13, 2028	325.00	[ICRA]AAA (stable)
INE916DA7SM1	Dec 15, 2023	Dec 15, 2028	650.00	[ICRA]AAA (stable)
INE916DA7SQ2	Mar 15, 2024	Mar 15, 2029	500.00	[ICRA]AAA (stable)
Yet to be issued	-	-	600.90	[ICRA]AAA (stable)
Total			**7,175.90**	

As on April 03, 2024

ICRA

ICRA Limited

Ref: ICRA/Kotak Mahindra Prime Limited/10042024/7
Date: April 10, 2024

Ms. Mandira Dhar
Senior Vice President
Kotak Mahindra Prime Limited
Kotak Infiniti, 6th Floor,
Building No. 21, Infinity Park,
Off. Western Express Highway,
General A. K. Vaidya Marg, Malad (East)
Mumbai 400097.

Dear Madam,

Re: ICRA Credit Rating for the Rs. 2,500.00 crore Non-Convertible Debenture (NCD) Programme of Kotak Mahindra prime Limited

Please refer to the Rating Agreement of Work dated April 03, 2024 executed between ICRA Limited ("ICRA") and your company for carrying out the rating of the aforesaid NCD Programme. The Rating Committee of ICRA, after due consideration, has assigned a **[ICRA]AAA** (pronounced as ICRA triple A) rating to the captioned NCD Programme. The outlook on the long-term rating is **Stable.** Instruments with [ICRA]AAA are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

In any of your publicity material or other document wherever you are using the above assigned rating, it should be stated as **[ICRA]AAA(Stable).**

We would request if you can provide your acceptance on the above Rating(s) by sending an email or signed attached acknowledgement to us latest by April 16, 2024 as acceptance on the assigned rating. In case you do not communicate your acceptance/non acceptance of the assigned credit rating, or do not appeal against the assigned rating by the aforesaid date, the rating will be treated by us as non accepted and shall be disclosed on ICRA's website accordingly. This is in accordance with requirements prescribed by the Securities and Exchange Board of India (SEBI) vide SEBI circular dated January 6, 2023.

Any intimation by you about the above rating to any banker/lending agency/government authorities/stock exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned. ICRA reserves the right to review and/or, revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

ICRA

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds, debentures and/ or other instruments of like nature to be issued by you.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s), or occurrence of any significant development that could impact the ability of the company to raise funds such as restriction imposed by any authority from raising funds through issuance of debt securities through electronic bidding system. Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.

With kind regards,
Yours sincerely,
For ICRA Limited

ANIL GUPTA

Digitally signed by ANIL GUPTA
Date: 2024.04.10 13:05:21 +05'30'

Anil Gupta
Senior Vice President
anilg@icraindia.com

ICRA

Acknowledgement

(To be signed and returned to ICRA Limited)

Please refer to your rating communication letter dated April 10, 2024. I hereby unconditionally accept and acknowledge the assigned rating.

We confirm that the undersigned is legally authorized to accept the rating on behalf of Kotak Mahindra Prime Limited.

For Kotak Mahindra Prime Limited

_____

Name:

Designation:

Date:

***Note**: Please return a copy of the above communication along with the acknowledgement to ICRA Limited at ICRA Limited 4th Floor, Electric Mansion, Appasaheb Marathe Marg, Prabhadevi, Mumbai-25 or harsh.mange@icraindia.com*