

Kotak Mahindra Prime Limited

Regd. Office : 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051

CIN : U67200MH1996PLC097730

Website: www.kotak.com Telephone: 91 22 61660000

Statement of Financial Results for the year ended March 31, 2020
Statement of Profit and Loss

₹ in Lakhs

Sr.No.	Particulars	Half Year ended		Year ended	
		(31/03/2020) (Unaudited) (Refer Note 8)	(31/03/2019) (Unaudited) (Refer Note 8)	(31/03/2020) (Audited)	(31/03/2019) (Audited)
	Revenue from operations				
	Interest Income on financial instruments measured at :				
	- Amortised Cost	1,45,779.87	1,54,183.70	2,99,558.65	3,01,995.46
	- Fair Value Through Other Comprehensive Income	983.17	794.57	2,373.18	1,866.64
	Dividend Income	500.00	704.20	1,000.00	1,567.92
	Rental income	294.76	294.77	589.53	589.32
	Fees and commission Income	5,267.96	5,686.11	11,012.07	10,989.33
	Net gain on fair value changes	2,695.49	977.95	5,476.71	3,245.00
	Net gain on derecognition of financial instruments under amortised cost category	35.04	-	35.04	-
I	Total Revenue from operations	1,55,556.29	1,62,641.30	3,20,045.18	3,20,253.67
II	Other Income	31.02	10.98	107.05	32.30
III	Total income (I + II)	1,55,587.31	1,62,652.28	3,20,152.23	3,20,285.97
IV	Expenses				
	Finance costs	84,665.66	94,518.95	1,80,179.90	1,89,603.18
	Fees and commission expense	2.58	0.13	3.23	1.61
	Net loss on fair value changes	55.18	444.63	258.19	456.45
	Impairment on financial instruments	20,931.92	6,383.75	27,548.52	11,249.24
	Employee benefits expenses	6,972.87	5,742.87	14,269.55	10,433.53
	Depreciation and amortisation	409.85	249.50	802.19	438.55
	Other expenses	8,504.44	9,091.33	15,769.94	18,162.67
	Total expenses	1,21,542.50	1,16,431.16	2,38,831.52	2,30,345.23
V	Profit before tax (III - IV)	34,044.81	46,221.12	81,320.71	89,940.74
VI	Tax expense				
	(1) Current tax	12,673.20	15,730.00	25,794.20	32,097.00
	(2) Deferred tax	(4,696.93)	(262.21)	(2,995.01)	(1,200.79)
	Total tax expense (1+2)	7,976.27	15,467.79	22,799.19	30,896.21
VII	Profit for the period (V - VI)	26,068.54	30,753.33	58,521.52	59,044.53
VIII	Other comprehensive income				
A	(i) Item that will not be reclassified to profit or loss				
	(a) Remeasurements of the defined benefit plans	(41.96)	0.64	(41.96)	5.03
	(b) Equity instruments through other comprehensive income	19,056.73	28,252.26	37,285.35	28,252.26
	Sub-total	19,014.77	28,252.90	37,243.39	28,257.29
	(ii) Income tax relating to items that will not be reclassified to profit or loss				
	(a) Remeasurements of the defined benefit plans	10.56	(0.23)	7.18	(1.76)
	(b) Equity instruments through other comprehensive income	(4,360.18)	(6,581.65)	(7,829.10)	(6,455.77)
	Total (A)	14,665.15	21,671.02	29,421.47	21,799.76
B	(i) Items that will be reclassified to profit or loss				
	(a) Debt instruments through other comprehensive income	(41.08)	1,282.44	(393.01)	309.74
	Sub-total	(41.08)	1,282.44	(393.01)	309.74
	(ii) Income tax relating to items that will be reclassified to profit or loss				
	(a) Debt instruments through other comprehensive income	10.33	(448.13)	183.25	(108.23)
	Total (B)	(30.75)	834.31	(209.76)	201.51
	Other Comprehensive Income (A + B)	14,634.40	22,505.33	29,211.71	22,001.27
IX	Total Comprehensive Income for the period (VII + VIII)	40,702.94	53,258.66	87,733.23	81,045.80
X	Earnings per share - Basic and Diluted	745.84	879.87	1,674.34	1,689.30

See accompanying notes to financial results

Sd/- For and on behalf of the Board of Directors

Sd/-

Place: Mumbai

Date: 26 June, 2020

 Vyomesh Kapasi
Managing Director

Kotak Mahindra Prime Limited

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Balance Sheet

₹ in Lakhs

Sr. No.	Particulars	Year ended (31/03/2020) (Audited)	Year ended (31/03/2019) (Audited)
A	ASSETS		
1	Financial assets		
	(a) Cash and cash equivalents	41,345.65	21,898.46
	(b) Bank Balance other than cash and cash equivalents	65,222.13	1,42,293.45
	(c) Receivables		
	(I) Trade receivables	6.48	15.68
	(II) Other receivables	-	-
	(d) Loans	25,39,472.03	28,17,526.33
	(e) Investments	3,23,081.46	2,12,923.27
	(f) Other Financial assets	4,292.33	1,122.15
	Total financial assets	29,73,420.08	31,95,779.34
2	Non-financial assets		
	(a) Current Tax assets (Net)	2,521.04	2,212.42
	(b) Deferred tax assets (Net)	13,459.26	10,587.42
	(c) Property, Plant and Equipment	3,857.48	2,902.48
	(d) Other intangible assets	156.23	171.23
	(e) Other Non-financial assets	3,760.05	3,985.71
	Total Non-financial assets	23,754.06	19,859.26
	Total Assets (1+2)	29,97,174.14	32,15,638.60
B	LIABILITIES AND EQUITY		
1	Financial liabilities		
	(a) Derivative financial instruments	8,135.24	9,224.91
	(b) Payables		
	(I) Trade payables - Total Outstanding dues of creditors other than Micro enterprises and small enterprises	15,823.21	30,084.54
	(c) Debt securities	12,57,280.79	15,47,961.85
	(d) Borrowings (Other than Debt Securities)	8,75,033.69	8,81,503.68
	(e) Deposits	165.84	208.93
	(f) Subordinated Liabilities	50,659.06	50,658.06
	(g) Other Financial liabilities	3,575.61	2,559.48
	Total financial liabilities	22,10,673.44	25,22,201.45
2	Non-Financial liabilities		
	(a) Current tax liabilities (Net)	3,011.83	4,564.91
	(b) Provisions	882.99	656.28
	(c) Deferred tax liabilities (Net)	39,340.63	31,859.43
	(d) Other non-financial liabilities	925.15	1,588.04
	Total Non-financial liabilities	44,160.60	38,668.66
3	EQUITY		
	(a) Equity Share Capital	349.52	349.52
	(b) Other equity	7,41,990.58	6,54,418.97
	Total equity	7,42,340.10	6,54,768.49
	Total Liabilities and equity (1+2+3)	29,97,174.14	32,15,638.60

Notes:

- The financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Any application guidance/clarification/directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/applicable.
- The above results have been reviewed and recommended for Board approval by the Audit Committee and approved and taken on record by the Board of Directors at their respective meetings held on June 26, 2020.
- These financial results have been prepared in accordance with the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 read with CIR/IMD/DF1/69/2016 dated August 10, 2016.

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- 4 The novel coronavirus (COVID-19) pandemic continues to spread rapidly across the globe including India. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. COVID-19 has taken its toll on not just human life, but business and financial markets too, the extent of which is currently indeterminable. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns and other factors. On March 24, 2020, the Indian government announced a 21-day lockdown which was extended twice, across the country to contain the spread of virus.

The Indian Government, the Reserve Bank of India and other regulators have announced various measures and relaxations acknowledging the current situation to ensure that there is enough liquidity in the hands of market participants and provided moratoriums to the borrowers in terms of their repayments to the financial institutions.

The Company, being a NBFC, is in the business of providing car loans, inventory funding to car dealers, loans to real estate developers, loans against securities, general-purpose corporate loans and makes investments. The Company has made an assessment of its liquidity position applying stress scenarios. The Company believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial results. Further, In accordance with the board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020 and April 17, 2020 relating to 'COVID-19 - Regulatory Package', the Company has granted moratorium upto three months on the payment of installments falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers. In respect of accounts overdue but standard at February 29, 2020 where moratorium benefit has been granted, the staging of those accounts at March 31, 2020 is based on the days past due status as on February 29, 2020. Based on an assessment by the Company, this relaxation has not been deemed to be automatically triggering significant increase in credit risk. The Company continues to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria. The Company has incorporated estimates, assumptions and judgements with regards to the impact of the COVID-19 pandemic in the measurement of impairment loss allowance. The total impairment loss allowance (including impact of COVID-19 related provisions) as at March 31, 2020 amounts to Rs 54,687.82 lakh.

The Company has further assessed the recoverability and carrying value of its assets as at balance sheet date and has concluded that there are no material adjustments required in the financial results, other than those already considered. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

- 5 The Company has elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020 and re-measured its deferred tax assets basis the rate prescribed in the said section. The full impact of this change has been recognised in the Statement of Profit and Loss for the year ended March 31, 2020.
- 6 Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied to all lease contracts existing on April 1, 2019 using modified retrospective approach. Consequently, the cumulative adjustment has been taken to retained earnings on the date of initial application i.e. April 1, 2019. In the Statement of Profit and Loss for the current period, the nature of expenses in respect of leases has changed from lease rent in previous periods to depreciation cost for "Right-of-use assets" and interest accrued on "Lease liability". Based on the same and as permitted under the specific transitional provisions in the standard, the Company is not required to restate the comparative figures.
- 7 During the year ended March 31, 2020, the parent company had received a communication dated June 12, 2019 from the Reserve Bank of India which directed the parent company to ensure that its subsidiaries immediately stop providing loan products as specified in para 2.3.1 of Master Circular - Loans and Advances - Statutory and Other restrictions dated July 1, 2015. The Company accordingly stopped providing fresh sanctions of loan products as specified above.
- 8 The figures for the six months ended March 31, 2020 and March 31, 2019 are the balancing figures between audited figures in respect of the full financial year and the year to date figures upto the first six months ended of the relevant financial year.
- 9 Figures for the previous period/year have been regrouped wherever necessary to conform to current period/year presentation.

For and on behalf of the Board of Directors
Kotak Mahindra Prime Limited

Sd/-

Place: Mumbai
Date: 26 June, 2020

Vyomesh Kapasi
Managing Director