DIRECTOR'S REPORT

To
The Members of
KKR CAPITAL MARKETS INDIA PRIVATE LIMITED

The Board of Directors of KKR Capital Markets India Private Limited ("**Company**") present the Eleventh Annual Report on the business and operations of the Company for the Financial Year ("**FY**") ended March 31, 2021. This was an unprecedented year, with the Covid-19 pandemic affecting the businesses and individuals in India and across the world. Lockdown and restrictions imposed on various activities due to the pandemic called for extraordinary changes in the way operations were managed by the Company.

FINANCIAL RESULTS

The Company's financial results for the FY ended March 31, 2021, as compared to previous FY ended March 31, 2020 are summarized in the table below:

(Rupees in million)

	Standalone		Consolidated	
Particulars	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Revenue from Operations	79.23	205.18	3,974.32	7,579.81
Other Income	2.68	0.1	238.63	2.80
Total Income	81.91	205.28	4,212.95	7,582.61
Profit before depreciation & Amortization and taxes	(1,546.89)	(12,664.12)	216.68	(16,601.98)
Depreciation and Amortization Expenses	9.70	8.88	38.17	32.01
Profit/ (loss) before Tax	(1,556.59)	(12,673)	178.51	(16,633.99)
Provision for Taxation (net)	27.68	(20.83)	1,762.01	(3,847.28)
Loss after Tax	(1,584.27)	(12,652.17)	(1,583.50)	(12,786.71)
Add/(less): Share of profit/(loss) in joint venture	-	-	(2.80)	(57.45)
Net Profit After Tax and share of joint venture	-	-	(1,586.30)	(12,844.16)
Other Comprehensive Income	0.02	(0.60)	2.04	(4.06)
Total comprehensive income	(1,584.25)	(12,652.77)	(1,584.26)	(12,848.22)

STATEMENT OF THE COMPANY'S AFFAIRS AND FINANCIAL PERFORMANCE

The Company is licensed by the Securities and Exchange Board of India ("**SEBI**") as a merchant bank under the SEBI (Merchant Bankers) Regulations, 1992 ("**Merchant Banker Regulations**") bearing registration code INM000011880 dated October 19, 2016.

The Company provides investment advisory and portfolio monitoring services to a number of other institutional clients.

The Company also acts as investment manager and sponsor to five alternative investment funds registered with SEBI under the SEBI (Alternative Investment Funds) Regulations, 2012 ("**SEBI AIF Regulations**") being:

- KKR India Debt Fund I
- KKR India Debt Opportunities Fund III
- KKR India Debt Opportunities Fund II
- India Alternative Opportunities Fund
- KKR India Credit Trust

The Audited Financial Statements both on standalone and consolidated basis have been prepared in accordance with the requirements of the Companies (Indian Accounting Standards) Rules, 2015 "Ind AS" read with Section 133 of the Companies Act 2013 ("Act"). The Consolidated Financial Statement have been prepared in accordance with Ind AS and relevant provisions of the Act based on the financial statement received from subsidiary as approved by its Board of Directors.

During the FY 2020-21, previous year's figures are restated in accordance with said Ind-AS. Revenue from operations of the Company on standalone basis has been Rs. 79.23 million, as against Rs. 205.18 million in the previous FY. The loss after tax during the FY 2020-21 is Rs. 1,584.27 million as against the loss after tax of Rs. 12,652.17 million in the previous FY.

The consolidated financials reflect the cumulative performance of the Company along with that of its subsidiary, i.e. KKR India Financial Services Limited. On a consolidated basis, during the year under review, the revenue from operations has been Rs. 3,974.32 and profit/(loss) after tax of Rs (1,583.50) million as compared to previous FY of Rs. 7,579.81 million and Rs. (12,786.71) million respectively.

CHANGE IN THE NATURE OF BUSINESS:

During the year under review, there has been no change in the nature of business of your Company.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

KKR India Financial Services Limited (KIFS), a structured credit lender registered as a SI-NBFC, is a wholly owned subsidiary of the Company under the meaning of Section 2(87) of the Act with effect from March 30, 2017 which was converted to a Public Limited entity effective from July 24, 2020.

The Company has a joint venture from August 2018 under the name of Tranzmute LLP, a limited liability partnership under the Limited Liability Partnership Act, 2008, along with Mr. Narayan K. Seshadri ("NKS") as a partner primarily engaged in the business of providing restructuring advisory services, comprehensive transformation services and transformation management, operational oversight, monitoring and remedial measures and other business advisory services to target companies in India.

During the FY 2020-21, revenue from operations of KIFS has been Rs. 3,903.64 million, as against Rs. 7,374.63 million in the previous FY. During the FY end, KIFS has reported loss after tax amounting to Rs. 1,394.01 million as against the loss after tax of Rs. 12,558.38 million in the previous FY.

The statement containing details of performance and salient features of the Financial Statements of Subsidiary Companyand Joint Venture during the FY 2020-21 in Form AOC-1 pursuant to first proviso to sub-section (3) of Section 129 of the Act and Rule 5 of Companies (Accounts) Rules, 2014, is attached as '**Annexure A**'.

The Company does not have any Associate Companies as on March 31, 2021.

ANNUAL RETURN

The Company does not have any dedicated website of its own and accordingly the Company is not in a position to place its annual return on the website of the Company as required under the provisions of Section 92 read with Section 134(3)(a) of the Act.

TRANSFER TO RESERVES

In absence of profits, the Board has not recommended any amount for transfer to reserves for the year under review.

DIVIDEND

In absence of profits, the Board has not recommended any dividend on the Equity Shares of the Company for the FY ended March 31, 2021.

SHARE CAPITAL

Authorized Share Capital:

As on March 31, 2021, the Authorized Share Capital ("**ASC**") of the Company stood at Rs. 2,000,000,000 comprising of 200,000,000 equity shares of Rs. 10/- each.

Issued, Subscribed and Paid-up Share Capital:

During the year under review, the Companyallotted the following equity shares of face value of Rs. 10/- each, at an applicable exercise price, to the eligible employees of the Company and its subsidiary, on exercise of Restricted Stock Units (RSUs) under KKR Capital Markets India Private Limited Share Incentive Plan.

Date of allotment	**Number of equity shares**
September 7, 2020	685,347
September 29, 2020	290,215
March 24, 2021	58,619
Total	**1,034,181**

With the said allotment, the paid up equity Share Capital of the Company has increased from Rs. 1,914,669,630 comprising of 191,466,963 fully paid-up equity shares of face value of Rs. 10/- each as on March 31, 2020 to Rs. 1,925,011,440 comprising of 192,501,144 fully paid-up equity shares of face value of Rs. 10/- each as on March 31, 2021.

Subsequent to the end of FY March 31, 2021, on May 31, 2021, the Company allotted 23,665 equity shares of face value of Rs. 10/- , at applicable exercise price, to the eligible employees of the Company and its subsidiary on exercise of RSUs under KKR Capital Markets India Private Limited Share Incentive Plan.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board comprises of the following directors as on March 31, 2021:

Name	**DIN**	**Designation**
Mr. Anil Nagu	00110529	Whole Time Director & Chief Financial Officer
Mr. Richard Holden	08095159	Non-executive Director
Mr. Karthik Krishna	06993503	Non-Executive Director
Mr. Brian Wesley Dillard	08626376	Non-Executive Director

The following changes were made in the composition of the Board of Directors of the Company as on date of this Report:

a) Directors Appointments/Cessation

- Mr. Sanjay Nayar had resigned from the position of the Non-Executive Director of the Company with effect from December 30, 2020.

  The Board of Directors places their sincere appreciation and gratitude for the valuable contribution appreciation made by Mr. Sanjay Nayar during his tenure as the Director to the growth and success of the Company.

- Mr. Brian Dillard's appointment was regularized/approved by the Shareholders of the Company at the 10th Annual General Meeting held on September 29, 2020 as a Non-Executive Director of the Company.

- Mr. Karthik Krishna's appointment was regularized/approved by the Shareholders of the Company at the 10th Annual General Meeting held on September 29, 2020 as a Non-Executive Director of the Company.

b) Key Managerial Personnel

The following officials are the Key Managerial Personnel of the Company as on March 31, 2021 as well as on the date of this report:

- Mr. Anil Nagu – Whole Time Director and Chief Financial Officer; and
- Mr. Binoy Parikh - Company Secretary and Compliance Officer

During the year under review, Mr. Binoy Parikh was appointed as the Company Secretary and Key Managerial Personnel of the Company with effect from July 1, 2020. Mr. Binoy Parikh is also appointed as Company Secretary and Key Managerial Personnel of the Subsidiary Company i.e KKR India Financial Services Limited, with effect from July 1, 2020.

c) Declaration by Directors

Based on the declarations and confirmations received, none of the Directors of the Company are disqualified from being appointed/ continuing as Directors in terms of section 164(2) of the Act.

d) Declaration by Independent Directors

The Company is not required to appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

BOARD MEETINGS

Number of meetings of the Board:

During the FY 2020-21, the Board met four times on June 29, 2020, September 17, 2020, December 14, 2020, and March 24, 2021. The necessary quorum was present for all the Meetings and the maximum interval between any two meetings did not exceed 120 days.

The necessary quorum was present for all the Meetings and the maximum interval between any two meetings did not exceed 120 days.

Attendance record of Directors:

	Name of the Director	Category	No of Board Meeting attended	Whether attended AGM held on September 29, 2020
1.	Mr. Sanjay Nayar	Non-Executive Director	3 of 3	Yes
2.	Mr. Richard Holden	Non-Executive Director	4 of 4	Yes
3.	Mr. Anil Nagu	Whole Time Director and Chief Financial Officer	4 of 4	Yes
4.	Mr. Brian Wesley Dillard	Non-Executive Director	4 of 4	Yes
5.	Mr. Karthik Krishna	Non-Executive Director	4 of 4	Yes

1. Mr. Sanjay Nayar ceased to be Executive Director w. e. f. December 30, 2020.

COMMITTEES OF THE BOARD

The Board has constituted the following committees to support the Directors in discharging its responsibilities and ensure expedient resolution of diverse matters with the applicable provisions of the Act:

- Corporate Social Responsibility Committee;
- Compensation Committee; and
- Investment and Credit Committee.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Formation

The Corporate Social Responsibility Committee ("CSR' or 'Committee") was constituted on August 26, 2014 in line with the provisions of the Section 135 of the Act.

Constitution of the committee:

The Composition of the CSR is as follows as on March 23, 2021:

Name	Designation
Mr. Anil Nagu	Member, Whole Time Director & Chief Financial Officer
Mr. Brian Dillard	Member, Non-Executive Director
Mr. Karthik Krishna	Member, Non-Executive Director

The Board of Directors in their Meeting held on March 24, 2021 noted that the amount to be spent as CSR contribution will not be exceeding RS. 50 lakhs and the Board can discharge the functions of CSR Committee pursuant to the recent amendment in Section 135 and the Companies (CSR Policy) Amendments Rules, 2021 effective from January 22, 2021 and approved the dissolution of the Corporate Social Responsibility Committee with immediate effect formed by the Company in accordance with Section 135 of the Act.

Annual Report on CSR activities is a part of the Director's Report and set out in "**Annexure B**".

COMPENSATION COMMITTEE

Formation

The Compensation Committee of the Company was formulated on December 6, 2017 to approve the issuance of the Restricted Share Units ("RSUs") to the employees of the Company and its subsidiary company.

Constitution of the Committee:

The Composition of the Compensation Committee is as follows as on March 31, 2021:

Name	Designation

Mr. Brian Dillard	Member, Non-Executive Director
Mr. Jigar Shah	Member

Noted: Mr. Sanjay Nayar ceased to be Member of the Committee effective from January 4, 2021

INVESTMENT AND CREDIT COMMITTEE

Formation

The Investment and Credit Committee ("**ICC**") of the Company was constituted on December 6, 2017 for reviewing, transacting, approving and restructuring of the proposals for loans / advances or investments provided or to be provided by the Company.

Constitution of the Committee

The Composition of the ICC is as follows as on March 31, 2021:

Name	Designation
Mr. Jigar Shah	Member
Mr. Anil Nagu	Member, Whole time Director & Chief Financial Officer
Mr. Brian Dillard	Member, Non-Executive Director

Note: Mr. Sanjay Nayar and Mr. Deepak Punjabi ceased to be the Members of the Committee effective from January 4, 2021 and March 31, 2021 respectively.

POLICY ON APPOINTMENT AND REMUNERATION FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

The provisions of Section 178 of the Act in relation to the formation of the Nomination Committee of the Board and to devise policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management employees and their remuneration is not applicable to the Company.

DEPOSITS

The Company has not accepted any deposits from public under provisions of 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, during the FY 2020-2021.

AUDITORS AND THEIR AUDIT REPORT

Statutory Auditors:

Pursuant to the provision of Section 139, 142, and other applicable provisions of the Act read with

Companies (Audit and Auditors) Rules, 2014 and since completion of 5 years term of Deloitte and Haskins Sells LLP's as Statutory Auditors of the Company, the Shareholder of the Company at their Meeting held on September 30, 2019 had appointed MSKA & Associates, Chartered Accountants (ICAI Registration No. 105047W) Mumbai as Statutory Auditors to hold office for a term of five consecutive years from the conclusion of the 9th Annual General Meeting held in 2019 until the conclusion of the 14th Annual General Meeting to be held in 2024 of the Company.

During the year under review, the statutory auditors confirmed that they had remained independent throughout the duration of the audit engagement, as required by the relevant ethical /independence requirements as enunciated in the Code of Ethics issued by the ICAI.

The Statutory Auditors' Report for the FY ended March 31, 2021 does not contain any qualifications, reservations or adverse remarks which require any clarifications/ explanations by the Board.

Secretarial Auditor:

The Company is not required to appoint Secretarial Auditors as it does not fall under the purview of the provisions of Section 204 (1) of the Act read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Internal Auditors

Pursuant to the requirements of Section 138 of the Act read with Rule 13 of the Companies (Accounts) Rules, 2014, the Board of Directors had appointed M/s KPMG Assurance and Consulting Services LLP, Chartered Accountants, as Internal Auditors of the Company for conducting Internal Audit for the FY 2020-21.

The Internal Audit Report for the FY ended March 31, 2021 does not contain any qualifications, reservations, adverse remarks or disclaimer which require any clarifications/ explanations by the Board.

Reporting of frauds by auditors:

During the year under review the Statutory Auditors, have not reported any instance of frauds committed in the Companybyits officers or employeesto the Board of Directors under Section 143(12) of the Act details of which needs to be mentioned in this Report.

INTERNAL CONTROL/INTERNAL FINANCIAL CONTROLS SYSTEMS AND THEIR ADEQUACY

The Companyhas in place adequate internal financial controls with reference to the financial statements commensurate with the size, scale and complexity of the operations of the Company as on March 31, 2021.

During the year under review, the Internal Auditors of the Company evaluated the adequacy of all internal controls and processes, and ensures strict adherence to clearly laid down processes and procedures as well as to the prescribed regulatory and legal framework and no material weaknesses in the design or operations were observed and reported by the Auditors.

SECRETARIAL STANDARDS

The Company complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India with respect to the Board Meetings & General Meetings.

RELATED PARTY TRANSACTIONS

In terms of Section 188 of the Act, there were no Related Party Transactions (RPTs), entered into by the Company during the FY under review. Accordingly, the disclosure of RPTs, as required under Section 134 (3) (h) of the Act in Form AOC-2 is not applicable to the Company.

However, a statement showing the disclosure with related party as per Ind AS 24 is set out in Note No. 36 to the Standalone Audited Financial Statements.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the regulators or courts or tribunals that would impact the going concern status of the Company and its future operations.

MAINTENANCE OF COST RECORDS

The Central Government has not specified maintenance of cost records for any services rendered by the Company under section 148(1) of the Act.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

The material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this Report are reported below:

- Currently, the Company is the investment manager and sponsor of India Alternative Opportunities Fund ("**Fund**"). On account of an internal restructuring, it is proposed to change the investment manager and sponsor of Fund and appoint KKR India Asset Manager Private Limited (KIAMPL) as the Fund's investment manager and sponsor ("Transaction"). The amended Memorandum and Indenture has been filed with Securities and Exchange Board of India on July 14, 2021, along with the details of the Transaction, for seeking SEBI's approval to undertake the proposed Transaction.

- Subsequent to the end of the financial year March 2021, the Company signed definitive agreements

Registered Office: 2nd Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg,
Lower Parel (W), Mumbai 400 013, India
T +91.22.4355.1300 F +91.22 .4355 .1301 E kkrindia@kkr.com W www.kkr.com
CIN No. U67190MH2011PTC211738

to merge its subsidiary, KKR India Financial Services Limited ("KIFS") with Incred Financial Services ("Incred"), a non-bank finance company that specializes in lending to retail and MSME customers in India. The proposal to combine KIFS and Incred will create an entity of scale and diversity across product categories in the non-bank lending space. It will also result in significantly better access to both debt and equity capital markets, as we look to grow the combined business. As part of this transaction, KKR and our KIFS co-investors TRS and ADIA will own ~35% of the combined entity. The business will be led by Incred CEO and Founder Bhupinder Singh and, upon closing, the existing KIFS investment team will join the combined entity to lead the wholesale financing vertical. KKR, TRS and ADIA will have Board representation as well as benefit from significant minority investor rights. We expect this transaction will close in 1H 2022 following customary closing conditions, regulatory/statutory approvals and other necessary consents.

EMPLOYEE STOCK OPTIONS SCHEME

With effect from March 28, 2018, the "KKR Capital Markets India Private Limited Share Incentive Plan" was introduced for the employees of the Company, its Subsidiary and Parent Company. The Compensation Committee administers the plan and there have been no material changes to these plans during the FY ended March 31, 2021.

The disclosure on Employee Stock Option Schemes as required under Rule 12 of the Companies(Share Capital And Debentures) Rules, 2014 for the FY ended March 31, 2021 is annexed as **'Annexure C'** of this Report.

Grant wise details of options vested, exercised and cancelled are provided in the notes to the Standalone Financial Statements.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act the Board to the best of its knowledgeand ability, hereby confirms that:

(i) In the preparation of the Audited Annual Accounts of the Company for the FY ended March 31, 2021, applicable accounting standards have been followed, with proper explanations provided for material departures (if any);

(ii) The Board has selected such accounting policies and applied them consistently and madejudgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the FY under review and of the loss of the Company for that period;

(iii) Board has taken proper and sufficient care for the maintenance of adequate accounting records of the Company in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) The Board has prepared the accounts for the FY ended March 31, 2021, on a 'going concern' basis;

(v) The Board has laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and

(vi) The Board has devised proper systems to ensure compliance with the provisions of applicable laws and such systems were adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Pursuant to the provisions of the Section 186 of the Act, disclosure on particulars, relating to Investments made by the Company have been disclosed in Note 41 of the Financial Statements of the Company for the FY 2020-21.

PARTICULARS OF EMPLOYEES AND RELATED INFORMATION

The provisions of Section 197 of the Act read with Rules 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with respect to disclosure pertaining to remuneration and other details of the Employees is not applicable to the Company.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & EXCHANGE EARNINGS & OUTGO

Information pursuant to Section 134(3) of the Act read with the Rule 8(3) of Companies (Accounts) Rules 2014.

A. CONSERVATION OF ENERGY

Since the Company is engaged in the financial services industry, this disclosure is not applicable to the Company.

B. TECHNOLOGYABSORPTION

Since the Company is engaged in the financial services industry, Rule 8(3)(B) of the Companies (Accounts) Rules, 2014 in relation to technology absorption is not applicable to the Company.

C. FOREIGN EXCHANGE EARNING & OUTGO

During the year under consideration, the Foreign Exchange Earnings and Expenditures were as follows:

Registered Office: 2nd Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai 400 013, India
T +91.22.4355.1300 F +91.22 .4355 .1301 E kkrindia@kkr.com W www.kkr.com
CIN No. U67190MH2011PTC211738

(Rupees in million)

Particulars	2020-21	2019-20
Foreign exchange earning	Nil	Nil
Foreign exchange expenditure	38,971,921	33,475,732

RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks and the Management has the overall responsibility for establishing and governing the Company's risk management framework. Accordingly, the Management has formulated a risk management framework which helps in identifying, assessing and prioritizing the risks and followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events. The said framework enables the Management an ongoing tracking of the evolution of risks and ensures delivery of action plans to mitigate them.

VIGIL MECHANISM

The provisions of Section 177 of the Act in relation to establishing a vigil mechanism for Directors and Employees to report genuine concerns and allegations of misconduct is not applicable to the Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is not required to constitute an Internal Complaints Committee, as it does not fall under the purview of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

GENERAL DISCLOSURE

- No application has been made nor is any proceeding pending by/against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review
- During the year under review, there was no instance of one-time settlement with any Bank or Financial Institution.

ACKNOWLEDGEMENT

The Directors commend the continued commitment, contribution and dedication of employees at all levels. The Directors also wish to acknowledge with thanks all other stakeholders, shareholders and regulatory authorities for their valuable sustained support and encouragement. The Board of Directors also places on record its deep and sincere appreciation for the commitment and integrityshown and hard work/dedication put in by the Management and the Employees of the Company in achieving continued robust performance on all fronts.

FOR AND ON BEHALF OF THE BOARD

ANIL NAGU Digitally signed by ANIL NAGU	Brian Wesley Dillard Digitally signed by Brian Wesley Dillard
Anil Nagu Whole Time Director and Chief Financial Officer DIN: 00110529	Brian Dillard Non-Executive Director DIN: 08626376

Place: Mumbai
Date: September 23, 2021

"Annexure A"
Form AOC-1
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries
(Information in respect of each subsidiary to be presented with amounts in Rs. in Millions)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	KKR India Financial Services Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
4.	Share capital	4,602.27
5.	Reserves & surplus	6,101.14
6.	Total assets	25,142.10
7.	Total Liabilities	25,142.10
8.	Investments#	13,886.22
9.	Turnover	4,139.59
10.	Profit/(Loss) before taxation	340.32
11.	Provision for taxation(including deferred tax)	1,734.33
12.	Profit/(Loss) after taxation	(1,394.01)
13.	Proposed Dividend	Nil
14.	% of shareholding	100.00

Notes: The following information shall be furnished at the end of the statement:
1. Names of subsidiaries which are yet to commence operations: None
2. Names of subsidiaries which have been liquidated or sold during the year: None

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	Tranzmute LLP
1. Latest audited Balance Sheet Date	March 31, 2020
2. Shares of Associate/Joint Ventures held by the company on the year end	
Number of equity shares	-
Amount of Investment in Associates/Joint Venture	80.5
Extend of Holding%	45.45%
3. Description of how there is significant influence	KKR Capital Markets India Private Limited is a Class A Partner in Tranzmute LLP
4. Reason why the associate/joint venture is not consolidated	Since the shareholding in Tranzmute LLP is less than 50%
5. Net worth attributable to shareholding as per latest audited Balance Sheet	9.86
6. Profit/Loss for the year	
i. Considered in Consolidation	(41.32)
ii. Not Considered in Consolidation	-

1. Names of associates or joint ventures which are yet to commence operations: None
2. Names of associates or joint ventures which have been liquidated or sold during the year: None

For **KKR Capital Markets India Private Limited**

Brian Wesley Dillard Digitally signed by Brian Wesley Dillard

Mr. Brian Dillard
Director
DIN: 08626376

ANIL NAGU Digitally signed by ANIL NAGU

Mr. Anil Nagu
Whole Time Director & Chief Financial Officer
DIN: 00110529

Mr. Binoy Parikh
Company Secretary

Place: Mumbai
Date: September 23, 2021

ANNEXURE B- REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES
[Pursuant to Section 135 of the Companies Act, 2013 and Rules made thereunder]

1. **Brief outline on CSR Policy of the Company:**

The Corporate Social Responsibility (CSR) Policy of the Company sets the framework guiding the Company's CSR activities. CSR has been a long standing commitment of KKR group world-wide. The focus area of CSR initiatives of the KKR group world-wide are environmental, social, and governance (ESG) issues which will ensure positive impact on society and make a difference in lives of undeserved communities.

Focus areas of Company's CSR activities:

- Healthcare and sanitation
- Promotion of Education
- Employment and Community Development
- Skill Development and Livelihood Creation
- Rural Development Projects
- Poverty and Malnutrition
- Rehabilitation and disaster relief
- Women empowerment
- Ensuring environmental sustainability

The Company had worked with various non-profit organization for implementation of its CSR activities and also encourages KKR employees to contribute their resources such as time and skills for the benefit of the underprivileged.

2. **Composition of CSR Committee:**

The Composition of the CSR is as follows as on March 23, 2021:

Sr. No.	Name of Director	Designation / Nature of Directorsh ip	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Anil Nagu	Member, Whole Time Director & Chief Financial Officer	0	0
2	Mr. Brian Dillard	Member, Non-Executive Director	0	0
3	Mr. Karthik Krishna	Member, Non-Executive Director	0	0

The Board of Directors in their Meeting held on March 24, 2021 noted that the amount to be spent as CSR contribution will not be exceeding RS. 50 lakhs and the Board can discharge the functions of CSR Committee pursuant to the recent amendment in Section 135 and the Companies (CSR Policy) Amendments Rules, 2021 effective from January 22, 2021 and approved the dissolution of the Corporate Social Responsibility Committee with immediate effect formed by the Company in accordance with Section 135 of the Act.

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** The Company does not have any dedicated website of its own and accordingly the Company is not in a position to place its Composition of CSR committee, CSR Policy and CSR projects

approved by the board on the website of the Company

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)** - Not applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (Rs. in Million)	Amount required to be set-off for the financial year, if any (Rs. in Million)
Not applicable since no amount is available for set off			

6. **Average net profit of the company as per section 135(5) - INR 89.2 mm**

7. **(a) Two percent of average net profit of the company as per section 135(5)- INR 1.78 mm**

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil

   (c) Amount required to be set off for the financial year, if any - Nil

   (d) Total CSR obligation for the financial year (7a+7b-7c) – INR 1.78 mm

8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (Rs. in Million)	Amount Unspent (Rs. in Million)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
INR 1.78 mm	Nil as no amount is unspent		Nil as no amount is unspent		

(b) Details of CSR amount spent against ongoing projects for the financial year: Not applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8	
Sl. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act.**	**Local area (Yes/ No).**	**Location of the project.**		**Amount spent for the project (Rs. In Million)**	**Mode of implementation - Direct (Yes/No).**	**Mode of implementation - Through implementing agency.**	
				State.	**District.**			**Name.**	**CSR registration number.**
1.	COVID-19 Food Relief Efforts project	Promotion of Education and eradicating Malnutrition	Project is implemented in Pan-India	Project is implemented in Pan-India		0.02	No	The spending is in collaboration with the The Akshaya Patra Foundation, a non profit organisation	CSR00000286
2.	COVID-19: Contribution – PM Cares Fund	Contribution to the Prime Minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women	Project is implemented in Pan-India	Project is implemented in Pan-India		1.76	Yes	--	--
		Total				**1.76**			

(d) Amount spent in Administrative Overheads - Nil

(e) Amount spent on Impact Assessment, if applicable – Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – INR 1.78 mm

(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (Rs. in Million)
(i)	Two percent of average net profit of the company as per section 135(5)	1.78 mm
(ii)	Total amount spent for the Financial Year	1.78 mm
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) **Details of Unspent CSR amount for the preceding three financial years:** Not Applicable

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** - Not applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year – Not applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – Not applicable

On behalf of the Board of Directors

KKR Capital Markets India Private Limited

ANIL NAGU Digitally signed by ANIL NAGU	Brian Wesley Dillard Digitally signed by Brian Wesley Dillard
Anil Nagu	Brian Dillard
Whole Time Director and Chief Financial Officer	Non-Executive Director
DIN: 00110529	DIN: 08626376

Place: Mumbai
Date: September 23, 2021

ANNEXURE – C TO THE DIRECTORS' REPORT
KKR CAPITAL MARKETS INDIA PRIVATE LIMITED

DISCLOSURES ON RESTRICTED STOCK UNIT ('RSU') SCHEME FOR THE YEAR ENDED MARCH 31, 2021 AS REQUIRED UNDER RULE 12 OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014

Name of the Plan: - KKR Capital Markets India Private Limited Share Incentive Plan ("Plan")

Purpose of the Plan:

The Company in their meeting held March 28, 2018 has adopted the Plan to create and issue share-based incentives equivalent to such number of equity shares of the Company which currently have a par value of INR 10/- (Rupees Ten Only) per share not exceeding 32,50,000 equity shares with effect from April 01, 2017 to be administered by the Nomination and Remuneration Committee of the Board of Directors

The purpose of the Plan is to provide a means through which the Company, its subsidiary company ("Subsidiary"), its parent company ("Holding Company") (collectively referred to as "Group") may attract and retain key personnel and to provide a means in accordance with the applicable laws of India including the Companies Act, 2013 and other securities law whereby directors, officers and employees of the Group can acquire and maintain an equity interest in the Company, or bepaid incentive compensation. This will strengthen the Eligible Persons commitment to the welfare of the Company and aligning their interests with those of the shareholders of the Company.

Details of the Plan are given below:

RSUs granted with grant date	• 2,446,690 on April 1, 2017 • 249,888 on January 1, 2018 • 246,725 on June 29, 2018 • 77,167on January 1, 2019 • 251,512 on April 1, 2019 • 513,372 on October 1, 2019
RSUs vested	1,843,250
RSUs exercised	1,034,181
The total no of shares arising as a result of exercise of RSUs	1,034,181
RSUs lapsed/surrendered	2,414,377
The exercise price	Fair market value as on the date of exercise
Variation of term of RSUs	Nil
Money realized by exercise of RSUs	INR 10,341,810
Total number of RSUs in force	336,796

Details of the RSUs granted to the directors, officers and employees of the Group	Refer Annexure I
Details of the employee who received a grant of RSUs in any one year amounting to five percent or more of RSUs granted during that year	March 2018 – Annexure II March 2019 – Annexure III March 2020 - Annexure IV
Details of the employees who were granted RSUs, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant.	Nil

Details of the options granted to the directors, officers and employees of the Group

Sr No.	Name	Designation of employees	Options Granted
1	Krishnan Brahmadesham V.	Director (ceased w.e.f 28/10/2019) Employee of the Company (Ceased w.e.f 20/12/2019)	10,28,021
2	Tashwinder Singh	Director (ceased w.e.f 28/06/2019) Employee of the Company (Ceased w.e.f 30/06/2019)	9,48,943
3	Mayank Gupta	Employee of the Company (Ceased w.e.f 01/07/2019)	3,28,967
4	Ashima Suri	Employee of the Company	1,27,635
5	Simrun Mehta	Employee of the Group Company	82,242
6	Paroksh Gupta	Employee of the Company (Ceased w.e.f 31/05/2020)	1,85,043
7	Roopak Jain	Employee of the Subsidiary (Ceased w.e.f 15/03/2019)	20,560
8	Amit Lodha	Employee of the Subsidiary Ceased w.e.f 06/03/2020)	20,560
9	Niraj Karia	Employee of the Subsidiary	41,121
10	Jigar Shah	Employee of the Subsidiary	1,49,121
11	Deepak Punjabi	Employee of the Subsidiary	1,02,802
12	Pankaj Chaudhary	Employee of the Subsidiary	15,887
13	Ankur Jain	Employee of the Subsidiary	15,887
14	Vijay Padmanabhan	Employee of the Group Company (Ceased w.e.f 31/03/2020)	79,437
15	Sumanth Cidambi	Employee of the Subsidiary	79,437
16	Narendra Singh	Employee of the Subsidiary	46,319
17	Anil Nagu	Director of the Company (W.e.f 28/06/2019) Employee of the Company (W.e.f 01/01/2020)	48,098
18	Kapil Singhal	Employee of the Subsidiary (Ceased w.e.f 31/01/2021)	4,53,926
19	Barkha Agarwal	Employee of the Group Company	11,348
		Total Options Granted till Mar 21	**37,85,354**

Details of the employee who received a grant of options in any one year of option amounting to five percent or more of options granted during that year

Annexure II-'March 2018

Sr No.	Name	Options Granted
1	Krishnan Brahmadesham V.	10,28,021
2	Tashwinder Singh	9,48,943
3	Mayank Gupta	3,28,967
4	Paroksh Gupta	1,85,043
		24,90,974

Annexure III-'March 2019

Sr No.	Name	Options Granted
1	Krishnan Brahmadesham V.	10,28,021
2	Tashwinder Singh	9,48,943
3	Mayank Gupta	3,28,967
4	Ashima Suri	1,27,635
5	Simrun Mehta	82,242
6	Paroksh Gupta	1,85,043
7	Roopak Jain	20,560
8	Amit Lodha	20,560
9	Niraj Karia	41,121
10	Jigar Shah	1,02,802
11	Deepak Punjabi	1,02,802
		29,88,696

Annexure IV-'March 2020

Sr No.	Name	Options Granted
1	Krishnan Brahmadesham V.	10,28,021
2	Tashwinder Singh	9,48,943
3	Mayank Gupta	3,28,967
4	Ashima Suri	1,27,635
5	Simrun Mehta	82,242
6	Paroksh Gupta	1,85,043
7	Niraj Karia	41,121
8	Jigar Shah	1,49,121
9	Deepak Punjabi	1,02,802
10	Vijay Padmanabhan	79,437
11	Sumanth Cidambi	79,437
12	Narendra Singh	46,319
13	Anil Nagu	48,098
14	Kapil Singhal	4,53,926
		37,01,112

602, Floor 6, Raheja Titanium
Western Express Highway, Geetanjali
Railway Colony, Ram Nagar, Goregaon (E)
Mumbai 400063, INDIA
Tel: +91 22 6831 1600

INDEPENDENT AUDITOR'S REPORT

To the Members of KKR Capital Markets India Private Limited

Report on the Audit of the Standalone financial statements

Opinion

We have audited the standalone financial statements of KKR Capital Markets India Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 44 to the Standalone financial statements which states that management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

Information Other than the Standalone financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the standalone financial statements and our auditor's report thereon. The Director's report has not been made available to us.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

Responsibilities of Management and Those Charged with Governance for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has internal financial controls with reference to the standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

MSKA & Associates
Chartered Accountants

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 38 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 42 to the standalone financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison
Digitally signed by Srividya Vaidison
Date: 2021.09.24 12:02:25 +05'30'

Srividya Vaidison
Partner
Membership No. 207132
UDIN: 21207132AAAABS3902

Place: Mumbai
Date: September 22, 2021

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF KKR CAPITAL MARKETS INDIA PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2021

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(b) All the fixed assets (Property, Plant and Equipment) have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

ii. The Company is involved in the business of rendering services and consequently, does not hold any inventory. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax Demands	31,35,132	AY 2014-15	Commissioner of Income Tax (Appeal)	
Income Tax Act, 1961	Income Tax Demands	1,74,05,085	AY 2015-16	Commissioner of Income Tax (Appeal)	
Income Tax Act, 1961	Income Tax Demands	8,71,63,754	AY 2016-17	Commissioner of Income Tax (Appeal)	
Income Tax Act, 1961	Income Tax Demands	9,35,63,162	AY 2017-18	Assessing Officer	
Income Tax Act, 1961	Income Tax Demands	15,04,430	AY 2018-19	Assessing Officer	

viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us, since the Company is a Private Company, the provisions of section 197 of the Act will not be applicable. Accordingly, the provisions stated in paragraph 3(xi) of the Order are not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison
Digitally signed by Srividya Vaidison
Date: 2021.09.24 12:04:11 +05'30'

Srividya Vaidison
Partner
Membership No. 207132
UDIN: 21207132AAAABS3902

Place: Mumbai
Date: September 22, 2021

602, Floor 6, Raheja Titanium
Western Express Highway, Geetanjali
Railway Colony, Ram Nagar, Goregaon (E)
Mumbai 400063, INDIA
Tel: +91 22 6831 1600

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KKR CAPITAL MARKETS INDIA PRIVATE LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of KKR Capital Markets India Private Limited as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls With Reference to Standalone financial statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison
Digitally signed by Srividya Vaidison
Date: 2021.09.24 12:03:34 +05'30'

Srividya Vaidison
Partner
Membership No. 207132
UDIN: 21207132AAAABS3902

Place: Mumbai
Date: September 22, 2021

KKR CAPITAL MARKETS INDIA PRIVATE LIMITED
STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

(Rs. In Million)

		Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I		**ASSETS**			
	(1)	**Financial assets**			
		Cash and cash equivalents	4	407.81	533.65
		Trade Receivables	5	16.12	27.96
		Investments	6	10,780.71	12,166.35
		Other financial assets	7	40.78	14.18
		Total Financial Assets		**11,245.42**	**12,742.14**
	(2)	**Non-Financial assets**			
		Current Tax Assets (Net)	8	266.58	261.31
		Deferred Tax Assets (Net)	9	2.69	31.64
		Property, Plant and Equipment	10	5.49	10.78
		Capital Work in Progress		5.27	3.10
		Right-to-use of Assets	34	13.14	16.57
		Other non-financial assets	11	327.80	356.90
		Total Non-Financial Assets		**620.97**	**680.30**
		Total Assets		**11,866.39**	**13,422.44**
II		**LIABILITIES AND EQUITY**			
	(1)	**Financial Liabilities**			
		Trade Payables	12		
		(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises		0.03	-
		(ii) Total Outstanding Dues of Creditors other than Micro enterprises and Small Enterprises		64.69	44.75
		Other Financial Liabilities	13	29.18	27.97
		Total Financial Liabilities		**93.90**	**72.72**
	(2)	**Non-Financial Liabilities**			
		Provisions	14	5.09	3.75
		Total Non-Financial Liabilities		**5.09**	**3.75**
	(3)	**EQUITY**			
		Equity Share Capital	15	1,925.01	1,914.67
		Other Equity	16	9,842.39	11,431.30
		Total Equity		**11,767.40**	**13,345.97**
		Total Liabilities and Equity		**11,866.39**	**13,422.44**

Significant Accounting Policies
The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison
Digitally signed by Srividya Vaidison
Date: 2021.09.24 11:56:55 +05'30'

Srividya Vaidison
Partner
Membership No.: 207132

Place: Mumbai
Date: September 22, 2021

For and on behalf of the Board of Directors of
For KKR Capital Markets India Private Limited

Brian Wesley Dillard
Digitally signed by Brian Wesley Dillard
Date: 2021.09.23 20:45:30 +05'30'

ANIL NAGU
Digitally signed by ANIL NAGU
Date: 2021.09.23 20:25:55 +05'30'

Brian Wesley Dillard
Director
DIN 08626376

Anil Nagu
Director & CFO
DIN 00110529

BINOY K PARIKH
Digitally signed by BINOY K PARIKH

Binoy K. Parikh
Company Secretary

Place: Mumbai
Date: September 22, 2021

KKR CAPITAL MARKETS INDIA PRIVATE LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Rs. In Million)

	Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from Operations				
	Interest Income	17	11.94	28.55
	Fee Income	18	56.14	156.47
	Net Gain on Fair Value Changes	22	8.55	-
	Other Operating Income	19	2.60	20.16
(I)	**Total Revenue from Operations**		**79.23**	**205.18**
(II)	Other Income	20	2.68	0.10
(III)	**Total Income (I+II)**		**81.91**	**205.28**
Expenses				
	Finance Cost	21	1.50	1.32
	Net Loss on Fair Value Changes	22	-	10.76
	Impairment on Financial Instruments	23	-8.82	8.82
	Impairment of Non Current Asset	24	25.20	160.00
	Employee Benefit Expense	25	58.13	50.23
	Depreciation and Amortisation	10	9.70	8.88
	Other Expenses	26	158.02	214.36
(IV)	**Total Expenses**		**243.73**	**454.37**
(V)	**(Loss)/ Profit Before Exceptional items and Tax (III-IV)**		**(161.82)**	**(249.09)**
(VI)	Exceptional Items (Refer Note 44)	6	(1,394.77)	(12,423.91)
	(Loss)/ Profit Before Tax (V-VI)		**(1,556.59)**	**(12,673.00)**
Tax expense				
	Current Tax		-	-
	For earlier year		-1.26	-
	Deferred Tax	9	28.94	(20.83)
(VII)	**Total Tax Expense**		**27.68**	**(20.83)**
(VIII)	**(Loss)/ Profit for The Year**		**(1,584.27)**	**(12,652.17)**
(IX)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to Profit or Loss	27	0.03	(0.80)
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss	27	(0.01)	0.20
	Other Comprehensive Income		**0.02**	**(0.60)**
(X)	**Total Comprehensive Income for the Year (IX+X)**		**(1,584.25)**	**(12,652.77)**
(XI)	**Earnings per Equity Share**	34		
	Basic (₹)		(8.25)	(66.08)
	Diluted (₹)		(8.25)	(66.08)

Significant Accounting Policies
The accompanying notes are an integral part of the financial statements.

In terms of our report attached
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison Digitally signed by Srividya Vaidison Date: 2021.09.24 11:57:57 +05'30'

Srividya Vaidison
Partner
Membership No.: 207132

Place: Mumbai
Date: September 22, 2021

For and on behalf of the Board of Directors of
For **KKR Capital Markets India Private Limited**

Brian Wesley Dillard Digitally signed by Brian Wesley Dillard Date: 2021.09.23 20:46:03 +05'30'

Brian Wesley Dillard
Director
DIN 08626376

ANIL NAGU Digitally signed by ANIL NAGU Date: 2021.09.23 20:27:13 +05'30'

Anil Nagu
Director & CFO
DIN 00110529

BINOY K PARIKH Digitally signed by BINOY K PARIKH

Binoy K. Parikh
Company Secretary

Place: Mumbai
Date: September 22, 2021

KKR CAPITAL MARKETS INDIA PRIVATE LIMITED
STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(Rs. In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash Flow From Operating Activities		
(Loss)/ Profit before tax	(1,556.59)	-12,673.00
Adjustments for		
Depreciation and amortisation	9.70	8.88
Impairment on financial instruments	(8.82)	8.82
Exceptional Items (Refer Note 44)	1,394.77	12,423.91
Impairment of Non current Asset	25.20	160.00
Net loss/ (gain) on fair value changes	(8.55)	10.76
Employee share incentive plan expenses	(4.65)	5.89
Investment Written off (Including accrued interest)	-	10.15
Fees Receivable Write off	10.65	74.17
Provision for Employee benefits	1.37	(3.59)
Finance Cost	1.50	1.32
B. Operating Profit/ (loss) Before Working Capital Changes	**(135.43)**	**27.31**
Working capital changes		
Trade receivables	10.02	28.78
Other financial assets	(26.60)	5.88
Right-to-use of Assets	(0.84)	(19.89)
Other non-financial assets	3.91	(5.08)
Trade and other payables	19.94	(106.54)
Other financial liability	(0.30)	15.17
Cash flows (Used in)/ Generated From Operating Activities	**(129.30)**	**(54.37)**
Income tax paid (net of refund)	(4.01)	(48.13)
Net Cash Flows (Used in)/ Generated from Operating Activities	**(133.31)**	**(102.50)**
C. Cash Flow From Investing Activities		
Purchase of property plant and equipment	(2.29)	(6.45)
Investment in Joint Venture	-	(40.00)
Investment in Alternative Investment Fund	(0.57)	(2.30)
Repayment of investments in NCD's	-	21.48
Repayment of investments in Alternative Investment Fund	-	16.19
Net cash flows used in investing activities	**(2.86)**	**(11.08)**
D. Cash Flow From Financing Activities		
Proceeds from issue of equity shares	10.34	-
Net Cash Flows Generated from/ (used in) Financing Activities	**10.34**	**-**
Net increase in cash and cash equivalents	(125.83)	(113.58)
Cash and cash equivalents at the beginning of the year	533.64	647.22
Cash and Cash Equivalents at the end of the year	**407.81**	**533.64**

***Components of Cash and Cash Equivalents**

Balances with Banks :		
- In Current Accounts	41.72	513.64
- In Deposit accounts with original maturity of 3 months or less	366.09	20.00
	-	-

The above Statement of Cash Flow has been prepared under the indirect method set out in Ind AS-7-Statement of Cash Flow.

The accompanying notes are an integral part of the financial statements.

In terms of our report attached
For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison
Digitally signed by Srividya Vaidison
Date: 2021.09.24 11:58:53 +05'30'

Srividya Vaidison
Partner
Membership No.: 207132

Place: Mumbai
Date: September 22, 2021

For and on behalf of the Board of Directors of
For KKR Capital Markets India Private Limited

Brian Wesley Dillard
Digitally signed by Brian Wesley Dillard
Date: 2021.09.23 20:46:42 +05'30'

Brian Wesley Dillard
Director
DIN 08626376

ANIL NAGU
Digitally signed by ANIL NAGU
Date: 2021.09.23 20:27:50 +05'30'

Anil Nagu
Director & CFO
DIN 00110529

BINOY K PARIKH
Digitally signed by BINOY K PARIKH

Binoy K. Parikh
Company Secretary

Place: Mumbai
Date: September 22, 2021

Note 1. General Information

KKR Capital Markets India Private Limited (the Company), was incorporated as a private limited company on January 03, 2011 under the provisions of the Companies Act, 1956. The Company is registered with the Securities and Exchange Board of India as a 'Category I Merchant Banker' and the Company is engaged in providing investment advisory, investment management and finance arrangement services.

Note 2. **Basis of preparation and significant accounting policies**

a. Basis of accounting and preparation of financial statements

The standalone financial statements (financial statements) have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the 'Act') read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter

The financial statements have been prepared and presented on the going concern bases and at historical cost except for the following assets and liabilities, which have been subsequently measured at fair values.

a) Certain Financial instruments measured at fair value
b) Employee's Defined benefit plans as per actuarial valuation
c) Share based payments

b. Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note No. XX.

Amounts in the financial statements are presented in Indian Rupees in millions rounded off to two decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee to two decimal places

c. Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

All financial assets and financial liabilities are initially recognised at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit and Loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

• if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);

• in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability). After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at Fair Value Through Profit or Loss (FVTPL). Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in the Statement of Profit and Loss.

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:
• Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;

• all other financial assets (e.g. investments managed on a fair value basis, or held for sale, or with contractual cash flow that are not SPPI) and equity investments are subsequently measured at FVTPL.

However, the Company may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

• the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies, in OCI; and

the Company may irrevocably designate financial assets that meet the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

Debt instruments at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company’s business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are meeting SPPI test.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition.

That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Company considers all relevant information available when making the business model assessment. However this assessment is not performed on the basis of scenarios that the Company does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Company takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business models.

When financial assets measured at FVTOCI are derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to the Statement of Profit or Loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss but transferred within equity.

Financial assets that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Financial assets at FVTPL

Financial assets at FVTPL are:
• assets with contractual cash flows that are not SPPI; or/and
• assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
• assets designated at FVTPL using the fair value option.
These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in the Statement of Profit and Loss.

Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Company's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

Impairment

The Company recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:
- debt investment securities;
- undrawn debt commitments; and
- trade and other receivables;

No impairment loss is recognised on equity investments.
ECLs are required to be measured through a loss allowance at an amount equal to:

• 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or

• full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

• for undrawn debt commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Company if the holder of the commitment draws down the debt and the cash flows that the Company expects to receive if the debt is drawn down; and

The Company measures ECL on an individual basis, or on a collective basis for portfolios of debt investments that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Equity investments in subsidiaries, jointly controlled entities and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in such entities, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

• significant financial difficulty of the borrower or issuer;
• a breach of contract such as a default or past due event;
• the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
• the disappearance of an active market for a security because of financial difficulties; or
• the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A debt instrument is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a back-stop if amounts are overdue for 90 days or more.

Derecognition of financial assets

A financial asset is derecognised only when:
• The Company has transferred the rights to receive cash flows from the financial assets or
• retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial assets. In such cases, the financial assets is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Write-off

Debt instruments are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:
• it has been incurred principally for the purpose of repurchasing it in the near term; or
• on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
• it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

d. Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
• Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
• Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

e. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

f. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

Interest and Dividend income

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate (EIR) applicable.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL, transaction costs are recognised in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)).

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

Fee income

Fee income includes finance arrangement fees, investment advisory fees and investment management fees, which are not an integral part of EIR. Such fees are accounted as an accrual basis in the Statement of Profit and Loss, as and when services are rendered.

Other operating income:

Other operating income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

g. Property, plant and equipment (PPE)

Property, plant and equipment (PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes professional fees related to the acquisition of PPE.

Depreciation / amortization is recognised on a straight-line basis over the estimated useful lives of respective assets as under:

Assets	**Useful Life**
Office equipment	3 years
Computer	3 years
Software	3 years
Leasehold improvements	amortised over the period of lease

Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

h. Impairment of non-financial assets

As at the end of each accounting year, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the property, plant and equipment are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

i. Employee Benefits

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Defined contribution plans - Provident Fund
Company’s contributions to provident and other funds are charged as expense to the Statement of Profit and Loss in the period in which the service is rendered.

Defined benefit plans - Gratuity
The Company's Gratuity liability under the Payment of Gratuity Act,1972 is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The Company’s net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.
The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability is computed by applying the discount rate, used to measure the net defined liability, to the net defined liability at the start of the financial year after taking into account any changes as a result of payment and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

Long-term employee benefits
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date, based on actuarial valuation.

Employees share-based plan
The Restricted Share Units (RSUs) granted to the employees pursuant to the Group's Employees Share Incentive plan, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

j. Operating Leases

The Company as a Lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset; (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes right-of-use ("ROU") asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset, if the Company changes its assessment on exercise of an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet, and lease payments have been classified as financing cash flows.

k. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above.

l. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

Borrowing costs include interest expense calculated using the EIR, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

m. Foreign currencies

(i) The functional currency and presentation currency of the Company is Indian Rupee. Functional currency of the Company has been determined based on the primary economic environment in which the Company operates considering the currency in which funds are generated, spent and retained.

(ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the year end Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks;

n. Earnings per share

Basic earnings per share are computed by dividing net income by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Diluted earnings per share are computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

o. Taxes on income

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit or loss.

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961, and the rules framed thereunder. .

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

p. Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

(i) an entity has a present obligation (legal or constructive) as a result of a past event; and
(ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
(iii) a reliable estimate can be made of the amount of the obligation
Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

(i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
(ii) a present obligation arising from past events, when no reliable estimate is possible.
Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.
Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

Contingent Assets:

Contingent assets are not recognised in the financial statements

Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:
a) estimated amount of contracts remaining to be executed on capital account and not provided for;
b) uncalled liability on shares and other investments partly paid;

c) funding related commitment to associate and joint venture companies; and
d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Note 3. Critical accounting judgements and key sources of estimation uncertainties

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Impairment of investments portfolio at amortised cost

The measurement of impairment losses across all categories of financial assets at amortised cost requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors which include quantitative and qualitative information and analysis, based on the Company's historical experience and forward-looking information. In certain cases, the assessment is based on past experience is required for future estimation of cash flow which requires significant judgement. The inputs and method applied for impairment assessment are detailed in Note 36.

Fair value of financial assets

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

All financial assets are initially recognised at fair value, which is normally the transaction price. Subsequent to initial recognition, some of the Company's financial instruments are carried at fair value, with changes in fair value either reported within the income statement. Details of the type and classification of the Company's financial assets are set out in note 36 and the accounting policy set out in note 2 (i).

Since the market for the Company's financial assets, which are in unlisted securities, is not active, the Company establishes fair value by using valuation techniques. These include the use of discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. Determination of fair value is based on the best information available in the circumstances and may incorporate the managements' own assumptions, including appropriate risk adjustments for non-performance and lack of marketability.

Because of the inherent uncertainty of the valuation methodologies and assumptions, estimated fair values of such assets may differ from the values that would have been used had a ready market for the assets existed and the differences could be material. Considerable judgement is necessarily required in interpreting market data to determine the estimates of value; accordingly the estimate of value presented in the financial statements are not necessarily indicative of the amounts that the Company could realize in market exchange.

Effective Interest Rate (EIR) method

The Company’s EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to Company’s base rate and other fee income/expense that are integral parts of the instrument.

Note 4. Cash and cash equivalents

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Cash in hand	-	0.01
(ii) Balances with banks:		
- In Current Accounts	41.72	513.64
- In Deposit accounts (with original maturity of 3 months or less)	366.09	20.00
Total	**407.81**	**533.65**

Note 5. Trade Receivables (Unsecured)

Particulars	As at March 31, 2021	As at March 31, 2020
Considered Good	16.12	27.96
Credit Impaired	-	8.82
	16.12	**36.78**
Less Impairment Loss Allowance	-	(8.82)
Total	**16.12**	**27.96**

Notes:

(i) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

(ii) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note 6. Investments

Particulars	As at March 31, 2021	As at March 31, 2020
At Cost		
Investments in Subsidiary/ Joint Venture	24,541.00	24,541.00
Less: Allowance for Impairment	(13,818.68)	(12,423.91)
At Fair Value Through Profit or Loss		
Investments in Alternative Investment Funds	58.39	49.26
Total Investments	**10,780.71**	**12,166.35**
Investment Outside India	-	-
Investment In India	10,780.71	12,166.35

Note 7. Other financial assets

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Unbilled revenue	-	1.02
Contractually recoverable expenses	38.73	10.48
Security deposits	1.76	1.61
Other deposits	0.29	1.07
Total	**40.78**	**14.18**

Note 8. Current Tax Assets (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance Tax (net of provision for tax)	266.58	261.31
Total	**266.58**	**261.31**

Note 9. Deferred Tax Assets /(Liabilities) (Net)

A) The major components of deferred tax assets and liabilities are:

Particulars	As at March 31, 2021	As at March 31, 2020
Assets:		
Provisions for employee benefit	3.55	3.39
Depreciation	1.15	0.72
Disallowance under section 40(a) of Income-tax Act, 1961	3.86	0.66
Loss on Investments at FVTPL	2.45	4.39
Loss during the period	53.02	21.38
Lease Liability	0.00	-0.33
Others	0.00	1.43
	64.03	**31.64**
Liabilities:		
Deffered tax asset reserve*	61.34	-
	61.34	**-**
Net Deferred Tax Asset	**2.69**	**31.64**

B) The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Deferred tax asset / (liability)	Balance as at April 1, 2020	Impact of Rate change	Recognised in profit or loss (Expense)/Incom	Recognised in other equity	Balance as at March 31 2021
Provisions for employee benefit	3.39	-0.89	1.07	-0.01	3.55
Depreciation	0.72	-0.04	0.47	-	1.15
Disallowance under section 40(a) of Income-tax Act, 1961	0.66	-0.07	3.26	-	3.86
Others	1.43	0.79	-2.22	-	0.00
Deffered tax asset reserve*	-	-	-61.34	-	-61.34
Loss during the period	21.38	-	31.64	-	53.02
Lease Liability	-0.33	-	0.33	-	0.00
(Gain)/Loss on Investments at FVTPL	4.39	0.21	-2.15	-	2.45
Total	**31.64**	**-**	**(28.94)**	**(0.01)**	**2.69**

Note: The Company has recognised deferred tax assets on carried forward tax losses with respect Financial Year (FY) 2019-20 and tax losses incurred in FY 2020-21 where the Company believes that the said deferred tax assets shall be recoverable based on the estimated future taxable income which in turn is based on approved business plans and budgets. The losses are allowed to be carried forward to the years in which the Company expects that there will be sufficient taxable profits to offset these losses.

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Note 10. Property, plant and equipment

(Rs. In Million)

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	As at April 01, 2020	For the Year	Deductions	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Office Equipment	1.30	0.12	-	1.42	0.97	0.22	-	1.20	0.22	0.33
Computers	1.87	-	-	1.87	1.70	0.07	-	1.77	0.10	0.17
Leasehold improvements	0.17	-	-	0.17	0.17	-	-	0.17	(0.00)	(0.00)
Software	15.44	-	-	15.44	5.14	5.14	-	10.27	5.17	10.30
Total	**18.78**	**0.12**	**-**	**18.90**	**7.98**	**5.43**	**-**	**13.41**	**5.49**	**10.80**

Note 11. Other non-financial assets

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid Expenses	0.45	1.86
Advance for purchase of property	510.10	510.10
GST receivable	1.78	3.23
Advance to Vendors	0.67	0.95
Prepaid Rent	-	0.76
Total	**513.00**	**516.90**
Less: Impairment allowance	-185.20	-160.00
Total	**327.80**	**356.90**

Notes:

1. Impairment allowance represents allowance on advance for purchase of property which in the opinion of the management is doubtful of recovery.

Note 12. Trade Payables

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	0.03	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	64.69	44.75
Total	**64.72**	**44.75**

Note:

There are no significant dues to Micro and Small Enterprises as at March 31, 2021. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

Note 13. Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Obligations under finance lease	14.04	17.26
Statutory liabilities	4.60	2.68
Provision for Salary & Bonus	10.54	8.03
Total	**29.18**	**27.97**

Note 14. Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits		
Gratuity	2.03	1.94
Compensated Absences	3.06	1.81
Total	**5.09**	**3.75**

Note 15. Equity Share Capital

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
AUTHORISED		
200,000,000 March 31, 2020: 200,000,000 (Previous year: 200,000,000) Equity Shares of Rs. 10/- each	2,000.00	2,000.00
	2,000.00	**2,000.00**
ISSUED, SUBSCRIBED AND FULLY PAID UP		
192,501,144 March 31, 2020: 192,501,144 (Previous year 191,466,963) Equity Shares of Rs. 10/- each fully paid-up	1,925.01	1,914.67
	1,925.01	**1,914.67**

Notes:

Term/Right Attached to Equity Shares

The Company has only one class of Equity Shares having a par value of Rs 10 per Share. Each holder of Equity Shares is entitled to one vote per Share.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of the Equity Shares held by the shareholders.

(a) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Equity shares outstanding as at the beginning of the year	19,14,66,963	1,914.67	19,14,66,963	1,914.67
Issued during the year	10,34,181	10.34	-	-
Equity shares outstanding as at the end of the year	**19,25,01,144**	**1,925.01**	**19,14,66,963**	**1,914.67**

(b) Details of shareholders holding more than 5 percent shares in the Company are given below:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	%	Number	%
KKR India Financial Investments Pte. Ltd. (the Holding Company w.e.f. March 30, 2017) (including one Equity Share held by a nominee)	19,14,66,963	99.4628%	19,14,66,963	100.00%

(c) All the above Equity shares have the same dividend and voting rights and in case of repayment of capital.

Note 16. Other equity

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Capital Redemption Reserve		
Balance as per the last Balance Sheet	24.20	24.20
Closing balance	**24.20**	**24.20**
(b) Securities premium account		
Balance as per the last Balance Sheet	22,536.39	22,536.39
Add: Received during the year	154.02	-
Closing balance	**22,690.41**	**22,536.39**
(c) Retained earnings (Surplus in Statement of Profit and Loss)		
Balance as per the last Balance Sheet	(11,338.79)	1,314.08
Profit/ (Loss) for the year	(1,584.27)	-12,652.27
Other Comprehensive Income	0.02	(0.60)
Add/(Less): Ind AS adjustments on transition	-	-
Closing balance	**(12,923.04)**	**(11,338.79)**
(d) Employees Share Based Plan Reserve		
Balance as per the last Balance Sheet	209.50	203.61
Add: Expense for the year	(158.68)	5.89
Closing balance	**50.82**	**209.50**
TOTAL	**9,842.39**	**11,431.30**

Note 17. Interest Income

(Rs. In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income from Fixed Deposits with Bank		
On Financial Assets Measured at Amortised Cost	11.87	27.05
Interest Income from Investments		
On Financial Assets classified at Fair Value Through Profit or Loss	0.07	1.50
Total	**11.94**	**28.55**

Note 18. Fee Income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Finance arrangement fees	-	16.50
Investment advisory fees	16.50	25.18
Investment management fees (Refer note 43)	39.64	114.79
Total	**56.14**	**156.47**

Note 19. Other operating income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Income from units in Alternative Investment Funds	2.60	20.16
Total	**2.60**	**20.16**

Note 20. Other Income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Discount value of future rent	0.15	0.10
Interest on Income Tax refund	2.53	-
Total	**2.68**	**0.10**

Note 21. Finance cost

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	On Financial liabilities measured at Amortised Cost	
Interest expense on lease liability	1.50	1.32
Total	**1.50**	**1.32**

Note 22. Net loss/(gain) on fair value changes

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net loss/(gain) on financial instruments at fair value through profit or loss	-8.55	10.76
Fair Value changes:		
-Realised	0.00	-
-Unrealised	-8.55	10.76
Total Net loss on fair value changes	**(8.55)**	**10.76**

Note 23. Impairment on financial instruments

(Rs. In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
On Investment at amortised cost	-	-
On Trade Receivables	(8.82)	8.82
Total	**(8.82)**	**8.82**

Note 24. Impairment of Non Current Asset

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Provision for Advance against property	25.20	160.00
Total	**25.20**	**160.00**

Note 25. Employee benefit expense

(Rs. In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and bonus	46.04	36.36
Contribution to Provident Fund	2.18	0.54
Gratuity (Refer Note 31)	0.57	0.68
Compensated absences	1.61	1.00
Employee share based plan expenses (Refer note below and note 36)	1.96	5.66
Staff welfare expenses	5.77	5.99
Total	**58.13**	**50.23**

Note:
Employee Share Incentive Plan expenses are net of reversal of Rs. 57.62 million (Previous year recovery of Rs. 0.23 million) from a subsidiary company against Restricted Share Units granted to the employees of the subsidiary company.

Note 26. Other expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent	-	1.99
Rates and taxes	0.09	2.69
Repairs and maintenance	0.09	0.11
Electricity	0.62	1.16
Travelling and conveyance	(0.16)	7.31
Legal and professional expenses	134.47	97.63
Office expenses	0.83	7.31
Membership and subscription	0.79	2.59
Auditors' remuneration (Refer Note (i) below)	1.35	1.25
Corporate Social Responsibility expenses (Refer Note (ii) below)	1.78	-
Insurance	0.18	0.54
Business promotion	(0.14)	6.62
Investment written off (including accrued interest)	-	10.15
Fees Receivable Write off	10.65	74.17
Foreign exchange loss (net)	2.85	0.38
Miscellaneous expenses (Refer Note (iii) below)	4.62	0.46
Total	**158.02**	**214.36**

Notes:
(i) Auditors' remuneration

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) For Statutory Audit	1.25	1.15
b) For Tax Audit	0.10	0.10
c) For taxation related service	-	-
d) For reimbursement of expenses	-	-
Total	**1.35**	**1.25**

(ii) Corporate Social Responsibility expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Gross Amount Required to be spent during the year	-	-
Amount spent during the year on CSR for purposes other than construction /acquisition of any asset.	1.78	-

(iii) Miscellaneous Expenses
Miscellaneous expenses include Postage, Courier charges, Printing and Stationary etc.

Note 27. Other comprehensive income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement (loss)/gain on defined benefit plan	0.03	(0.80)
Income tax relating to these items	(0.01)	0.20
Total other comprehensive income for the year, net of tax	**0.02**	**(0.60)**

Note 28. Income Taxes

1. Income Tax recognised in Total Comprehensive Income

(Rs. In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current Tax	-	-
Deferred Tax	28.94	(20.83)
Total Income tax expense recognised in the Statement of Profit and Loss	**28.94**	**(20.83)**
Tax on Other Comprehensive Income	(0.01)	0.20
Total Income tax expense recognised in Total Comprehensive Income	**28.93**	**(20.63)**

2. Reconciliation of income tax expense for the year:

(Rs. In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax	(1,556.59)	(12,673.00)
Income tax rate	25.168%	25.168%
Income tax expense	**(391.76)**	**(3,189.54)**
Tax effect of:		
DTA Reserve	61.34	-
Expenses disallowed	8.32	0.42
Tax on temporary differences on which deferred tax is either not created or reversed due to no reasonable certainty of future profits	351.03	3,167.48
Effect on deferred tax balances due to the changes in income tax rate	-	1.01
Total	**420.69**	**3,168.91**
Income tax expense recognised in Total Comprehensive Income	**28.93**	**(20.63)**

KKR CAPITAL MARKETS INDIA PRIVATE LIMITED
Notes forming Part of the Standalone Financial Statements For The Year Ended March 31, 2021

Note 29. Financial instruments

A. Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to
The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. Capital Management Policy, objectives and processes are under constant review by the Board.

B. Financial instruments

(i) Fair Value

Classes and categories of financial instruments and their fair values

The following table combines information about:
• classes of financial instruments based on their nature and characteristics;
• the carrying amounts of financial instruments;
• fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
• fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed

Set out below, is the accounting classification of financial instruments by category:

(Rs in Million)

Particulars	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments	58.39	-	49.26	-
Trade receivables (net of provisions)	-	16.12	-	27.96
Cash and cash equivalents	-	407.81	-	533.65
Security deposits	-	1.76	-	1.61
Other financial assets	-	39.01	-	12.56
Total financial assets	**58.39**	**464.70**	**49.26**	**575.78**
Financial liabilities				
Trade and other payables	-	64.71	-	44.75
Finance lease obligation	-	14.04		17.26
Other financial liabilities	-	15.14	-	10.71
Total financial liabilities	**-**	**93.89**	**-**	**72.72**

Note: INDAS 107 shall not apply to financial instruments those entrusts in subsidiaries, associates or joint ventures that are accounted for in accordance with INDAS 110 consolidated financial statement

(ii) Fair value and fair value hierarchy for financial assets at FVTPL

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(Rs in Million)

Financial assets and liabilities measured at fair value - recurring fair value measurements **As at March 31, 2021**	Notes	Carrying Amount	Level 1	Fair Value Level 2	Level 3	Total
Financial assets						
Investments at FVTPL	7	58.39	-	-	58.39	58.39
Total financial assets		**58.39**	**-**	**-**	**58.39**	**58.39**

(Rs in Million)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed **As at March 31, 2021**	Notes	Carrying Amount	Fair Value
Financial assets			
Cash and cash equivalents	5	407.81	407.81
Trade receivables (net of provisions)	6	16.12	16.12
Security deposits	8	1.76	1.76
Other financial assets	8	39.01	39.01
Total financial assets		**464.71**	**464.71**
Financial Liabilities			
Trade and other payables	13 and 14	64.69	64.69
Other financial liabilities	15	29.18	29.18
Total financial liabilities		**93.86**	**93.86**

(Rs in Million)

Financial assets and liabilities measured at fair value - recurring fair value measurements **As at March 31, 2020**	Notes	Carrying Amount	Level 1	Fair Value Level 2	Level 3	Total
Financial assets						
Investments at FVTPL	7	49.26		-	49.26	**49.26**
Total financial assets		**49.26**	**-**	**-**	**49.26**	**49.26**

(Rs in Million)

Assets and liabilities which are measured at cost /amortised cost for which fair values are disclosed **As at March 31, 2020**	Notes	Carrying Amount	Fair Value
Financial assets			
Cash and cash equivalents	5	533.65	533.65
Trade receivables (net of provisions)	6	27.96	27.96
Investments	7	-	-
Security deposits	8	1.61	1.61
Other financial assets	8	12.56	12.56
Total financial assets		**575.79**	**575.79**
Financial Liabilities			
Trade and other payables	13 and 14	44.75	44.75
Other financial liabilities	15	27.97	27.97
Total financial liabilities		**72.73**	**72.73**

(iii) Valuation process and technique for financial assets at FVTPL

The management estimates the fair values of financial assets and liabilities required for financial reporting purposes, including level 3 fair values, after giving consideration to purchase price, market conditions, current and projected operating performance, expected cash flows, projected dividends, anticipated future securities' values and the market value of publicly traded shares of portfolio companies. Determination of fair value is based on the best information available in the circumstances and may incorporate the management's own assumptions, including appropriate risk adjustments for non-performance and lack of marketability. The method used to estimate the fair value of such assets is the income approach (e.g. the discounted cash flow method, waterfall approach based on issuer yield curve etc.).

Type of Financial Instrument	Valuation Technique
Investments	Income Approach
Borrowings	Income Approach

(iv). Sensitivity of fair value measurements to changes in unobservable market data

The following table demonstrates the sensitivity to a reasonably possible change in the significant unobservable inputs (all other variables being considered as constant) of the Company's Statement of Profit and Loss and Equity.

(Rs in Million)

Particulars	Increase / (decrease) in the Equity Price	Sensitivity of profit or loss		Sensitivity of equity	
2020-21					
Investments at FVTPL	10% Increase in Price	Impact on Profit before Tax	5.84	Impact on equity	4.37
	10% Decrease in Price		(5.84)		(4.37)
2019-20					
Investments at FVTPL	10% Increase in Price	Impact on Profit before Tax	4.93	Impact on equity	3.69
	10% Decrease in Price		(4.93)		(3.69)

C. Risk management framework

The Company's risks are managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. The company considers ongoing risk management as a critical function and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk and liquidity risk.
It is the Company's policy to ensure that a robust risk awareness is embedded in its organizational risk culture.

1. Credit risk

Credit Risk in simple terms is the risk of borrowers / obligors ability to honour their obligations in timely manner and the loss that may be incurred by the Company in the event of the failure of borrowers to meet their repayment obligations.

2. Impairment assessment

(i) Exposure at Default (EAD)

EAD is aggregate of the amortized principal, accrued interest and committed undrawn lines as on the default date and the same is used for purpose of ECL computation.

Exposure to Investments which are accounted as per amortized cost method have been classified under the following three stages at borrower level in line with Ind AS 109.
Stage 1 – Investments with low credit risk and where there is no significant increase in credit risk. The Investments up to 0-30 days are classified as Stage1.
Stage 2 – Investments with significant increase in credit risk as compared to the risk assessed at their origination are considered as stage 2. These include underperforming assets i.e. assets with overdue > 30 days and < 90 days or any other asset that the management, based on a qualitative assessment, considers to be underperforming in its view irrespective of the numbers of days the account is overdue.
Stage 3 – Non Performing or Impaired borrowers and defined as borrowers with over dues > 90 days or where the management, based on a qualitative assessment, considers the default to be imminent.

(ii) Significant increase in credit risk

The Company continuously monitors all investments subject to ECLs. This monitoring is to evaluate if there has been any significant in the credit risk over the balance life of the investments as compared to the assessed credit risk at the time of their origination. Such evaluation may lead to either revision in the probability of default and / or revision in the asset classification stage (1 or 2) based on overdue status or management's qualitative assessment that the underlying risk has significantly increased and the asset needs to be assessed either on the basis of lifetime PD or default PD if the default is considered imminent. The Company considers an exposure to have significantly increased in credit risk if contractual payments are more than 30 days past due or where the management, based on a qualitative assessment, considers the asset to be underperforming in its view irrespective of the numbers of days the account is overdue.

(iii) Definition of default and cure

In the event any borrower has defaulted on asset repayment obligations for 90 days or more, the same is considered as credit impaired i.e. stage 3.
Factors considered for Stage definition
Besides the number of days an account is overdue, the Company considers various qualitative factors to assess whether any exposure should be moved to Stage 2 or Stage 3 (for imminent threat of default cases). Some of the indicative parameters (non-exhaustive) are :
- Financial parameters such as drop in profitability / increase in debt / adverse changes in debt / EBIDTA or DSCR ratios
- A breach of contract such as a default or past due event or material covenant breaches;
- The restructuring of the asset by the Company on terms that the Company would not consider otherwise; or
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the borrower makes necessary payments and the borrower is not 90 days past due after such payments. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and the relative credit risk as compared to the asset origination stage.

(iv) estimation process

The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The Company has its own internal ratings for client exposures and these have been mapped to leading external credit rating agency's ratings and probabilities of default. The Company has applied
a. 12 months PD to Stage 1 Investments
b. Lifetime PD for Stage 2 assets
c. 100% PD for Stage 3 assets

(v) Loss given default

The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that would be expected to be received, including from realization of any prime/collateral security. LGD is computed based on discounted expected recoveries at an account level based on collateral valuation after applying appropriate hair cut and appropriate recovery time.

3. Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Company has guidelines in place covering the acceptability and valuation of each type of collateral. Generally the Company accepts collaterals such as real estate (residential / commercial / land parcels), shares (listed / unlisted / promoter owned), plant and machinery, stock and book debts etc. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.
In case of defaults by customers (whether of due payments or underlying security conditions / covenants), the Company has the right to enforce the security and monetise the same towards part or full liquidation of the credit exposure.

D. Liquidity risk and funding management

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations as and when they fall due on account of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis.

Further, the Company's current financial assets are higher than the current financial liabilities on the Balance Sheet date.

(Rs. In Million)

Particulars	As at March 31, 2021			As at March 31, 2020		
LIABILITIES	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Trade and other payables	64.72	-	64.72	44.75	-	44.75
Finance Lease Obligation	3.55	10.49	14.04	3.23	14.04	17.27
Other financial liability	15.14	-	15.14	10.70	-	10.70
Total Financial Liabilities	**83.41**	**10.49**	**93.90**	**58.68**	**14.04**	**72.72**

Note 30. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. They have been classified to mature and/or be repaid within 12 months.

(Rs. In Million)

Particulars	As at March 31, 2021			As at March 31, 2020		
ASSETS	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Financial Assets						
Cash and cash equivalents	407.81	-	407.81	533.65	-	533.65
Trade receivables	16.12	-	16.12	27.96	-	27.96
Investments	0.62	10,780.09	10,780.71	-	12,166.35	12,166.35
Other financial assets	38.73	2.05	40.78	11.50	2.68	14.18
Non-Financial assets						
Current Tax Assets (Net)	-	266.58	266.58	-	261.31	261.31
Deferred tax assets (Net)	-	2.69	2.69	-	31.64	31.64
Property, plant and equipment	-	5.49	5.49	-	10.78	10.78
Capital work-in-progress	5.27	-	5.27	-	3.10	3.10
Right-to-use of Assets	4.15	8.99	13.14	3.98	12.59	16.57
Other non-financial assets	2.71	325.09	327.80	1.74	355.16	356.90
Total Assets	**475.41**	**11,390.98**	**11,866.39**	**578.83**	**12,843.61**	**13,422.44**
LIABILITIES						
Financial Liabilities						
Trade and other payables	64.72	-	64.72	44.75	-	44.75
Finance Lease Obligation	3.55	10.49	14.04	3.23	14.04	17.27
Other Financial Liabilities	15.14	-	15.14	10.70	-	10.70
Non-Financial Liabilities						
Provisions	1.00	4.08	5.08	0.23	3.52	3.75
Total Liabilities	**84.41**	**14.57**	**98.98**	**58.91**	**17.56**	**76.47**
Net	**391.00**	**11,376.41**	**11,767.41**	**519.92**	**12,826.05**	**13,345.97**

KKR CAPITAL MARKETS INDIA PRIVATE LIMITED
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Note 31

(i) Provident Fund

Provident fund for certain eligible employees is paid to recognised provident fund managed by the Government. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their termination/retirement, in accordance with PF rules. The contribution to the said recognised fund is considered as expenses in the Profit and loss account on accrual basis. The charge during the current year towards employer's share of contribution is INR 2.18 million(Previous year INR 0.54 million).

(ii) Gratuity Fund

The Company accounts for its liability towards Gratuity based on actuarial valuation made by an independent actuary as at the balance sheet date based on projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

The gratuity policy of the company provides for lumpsum payment to vested employees at retirement or on termination of employment, based on respective employee's salary and years of employment in accordance with Payment of Gratuity Act, 1972.

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2021:

(Rs. In Million)

Particulars	As at April 1, 2020	Service cost	Net interest expense	Benefits paid	Actuarial changes arising from changes in financial & demographic assumptions	Experience adjustments	As at March 31, 2021
Defined benefit obligation	1.94	0.44	0.13	(0.46)	0.34	(0.37)	2.02
Benefit liability	**1.94**	**0.44**	**0.13**	**(0.46)**	**0.34**	**(0.37)**	**2.02**

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2020:

Particulars	As at April 1, 2019	Service cost	Net interest expense	Benefits paid	Actuarial changes arising from changes in financial assumptions	Experience adjustments	As at March 31, 2020
Defined benefit obligation	3.80	0.39	0.29	(3.34)	0.18	0.62	1.94
Benefit liability	**3.80**	**0.39**	**0.29**	**(3.34)**	**0.18**	**0.62**	**1.94**

Sensitivity analysis

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Sensitivity Level	1% increase	1% increase	1% decrease	1% decrease
Impact on defined benefit obligation				
1) Discount Rate	(0.06)	(0.15)	0.07	0.17
2) Future Salary Increases	0.02	0.17	(0.02)	(0.15)
3) Employee Turnover	(0.00)	0.01	0.00	(0.01)

Maturity Analysis of benefit payments

Particulars	As at March 31, 2021	As at March 31, 2020
Within the next 12 months	0.36	0.03
Between 2 and 5 years	1.37	0.60
Between 6 and 10 years	0.49	0.35
Beyond 10 years	0.24	3.81
Total expected payments	**2.46**	**4.79**

Table showing actuarial assumptions

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	5.58%	6.84%
Rate of increase in compensation levels of covered employees	6.00%	6.00%
Mortality rate	Indian Assured Lives (2006-08)	Indian Assured Lives (2006-08)
Attrition rate	20.00%	2.00%

Note 32 Segment Information

The principal object of the Company is to carry on the activities of advisory and finance arrangement services. All other activities of the Company revolve around / are connected with its principal object. Considering this, the Company has only one reportable segment.

Note 33. Lease disclosure

Under Ind-AS 116, the Company recognises right-of-use assets and lease liabilities for leases i.e. these leases are on the balance sheet. Lease liabilities as at 01 April 2020 were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. The weighted average of lessee's incremental borrowing rate applied to the lease liabilities as at 01 April 2020 was 9.50%.

Changes in the carrying value of Right-of-use Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	16.57	-
Additions	-	19.88
Deletion	-	-
Depreciation	3.98	3.31
Closing balance	**12.59**	**16.57**

Changes in the Lease liabilities

The following is the movement in Lease Liabilities during the year ended 31st March, 2021:

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	17.27	-
Addition	-	19.89
Add: Lease interest	1.50	1.32
Less: Lease payments	4.73	3.94
Closing balance	**14.04**	**17.27**

Maturity analysis of Lease liability

The table below provides details regarding the Contractual Maturities of Lease Liabilities on an undiscounted basis:

Particulars	As at March 31, 2021	As at March 31, 2020
a) Payable not later than one year	4.73	4.73
b) Payable later than one year and not later than five years	11.66	16.39
c) Payable later than five years	-	-
Total	**16.39**	**21.12**

The following amounts were recognised as expense in the year:

Particulars	As at March 31, 2021	As at March 31, 2020
Interest on Lease liability	1.50	1.32
Depreciation on Leased asset	3.98	3.31
Total	**5.48**	**4.63**

Amounts recognised in statement of Cash Flows

Particulars	As at March 31, 2021	As at March 31, 2020
Total Cash outflow for lease asset	4.73	3.94

Note 34. Earnings Per Share

The computation of earnings per share is set out below:

Particulars			Year ended March 31, 2021	Year ended March 31, 2020
Net Profit after tax as per Statement of Profit and Loss	(A)	(Rs. In Million)	(1,584.27)	(12,652.17)
Weighted average number of equity shares for calculating Basic EPS	(B)	Nos.	19,20,01,347	19,14,66,963
Weighted average number of diluted potential equity shares on exercise of Restricted Share Units (Refer note 38)	(C)	Nos.	7,87,314	10,91,140
Weighted average number of equity shares for calculating Diluted EPS	(D)	Nos.	19,27,88,661	19,25,58,103
Basic earnings per equity share (in Rupees) (Face value of Rs. 10/- per share)	(A)/(B)	Rs.	(8.25)	(66.08)
Diluted earnings per equity share (in Rupees) (Face value of Rs. 10/- per share)	(A)/(D)	Rs.	(8.25)	(66.08)

Note 35. Related party transactions

A. Details of related parties

Names of related parties	Description of Relationship
Kohlberg Kravis Roberts & Co. L.P.	Ultimate Holding Company
KKR Mauritius PE Investments I, Limited	Fellow subsidiary
KKR India Financial Investments Pte Limited	Holding Company
KKR India Financial Services Limited	Subsidiary Company
KKR India Finance Holding LLC	Company having significant influence over the Company
KKR India Debt Fund I	Fund over which the Company is able to exercise significant influence
KKR India Debt Opportunities Fund III	Fund over which the Company is able to exercise significant influence
KKR India Debt Opportunities Fund II	Fund over which the Company is able to exercise significant influence
India Alternative Opportunities Fund	Fund over which the Company is able to exercise significant influence
KKR Capital Markets Holdings LLP	Fellow subsidiary
KKR Asia Limited	Fellow subsidiary
KKR India Advisors Private Limited	Fellow subsidiary
Tranzmute LLP	Joint Venture
Mr. B V Krishnan	Key Managerial Personnel (Executive Director till October 29,2019)
Mr. Naozad Sirwalla	Key Managerial Personnel (Company Secretary & Chief Financial Officer till June 28,2019)
Mr. Tashwinder Singh	Key Managerial Personnel (Executive Director till June 28,2019)
Mr. Karthik Krishna	Key Managerial Personnel (Non-Executive Director)
Mr. Anil Nagu	Key Managerial Personnel (Whole-Time Director and Chief Financial Officer)
Mr. Binoy Parikh	Key Managerial Personnel (Company Secretary w.e.f July 01, 2020)

(Rs. In Million)

B. Related party transactions	Ultimate Holding Company	Holding Company	Subsidiary Company	Company having having significant influence over the Company	Funds over which company having significant influence	Fellow subsidiaries	Joint Venture	Key Management Personnel
Description of transaction:								
Investments in Units of Alternative Investment Funds:								
India Alternative Opportunities Fund	- (-)	- (-)	- (-)	- (-)	0.57 (2.30)	- (-)	- (-)	- (-)
Redemption of Units of Alternative Investment Funds:								
KKR India Debt Fund I	- (-)	- (-)	- (-)	- (-)	- (8.11)	- (-)	- (-)	- (-)
KKR India Debt Opportunities Fund III	- (-)	- (-)	- (-)	- (-)	- (8.08)	- (-)	- (-)	- (-)
Investment in Limited Liability Partnership :								
Tranzmute LLP	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (40.00)	- (-)
Interest income from units in Alternative Investment Funds:								
KKR India Debt Fund I	- (-)	- (-)	- (-)	- (-)	0.08 (4.72)	- (-)	- (-)	- (-)
KKR India Debt Opportunities Fund II	- (-)	- (-)	- (-)	- (-)	1.20 (8.93)	- (-)	- (-)	- (-)
KKR India Debt Opportunities Fund III	- (-)	- (-)	- (-)	- (-)	0.08 (4.70)	- (-)	- (-)	- (-)
India Alternative Opportunities Fund	- (-)	- (-)	- (-)	- (-)	1.23 (1.81)	- (-)	- (-)	- (-)
Investment management fees (income):								
KKR India Debt Fund I	- (-)	- (-)	- (-)	- (-)	- (1.93)	- (-)	- (-)	- (-)
KKR India Debt Opportunities Fund II	- (-)	- (-)	- (-)	- (-)	37.97 (89.29)	- (-)	- (-)	- (-)
KKR India Debt Opportunities Fund III	(-)	(-)	(-)	(-)	- (0.80)	(-)	(-)	(-)

(Rs. In Million)

B. Related party transactions	Ultimate Holding Company	Holding Company	Subsidiary Company	Company having having significant influence over the Company	Funds over which company having significant influence	Fellow subsidiaries	Joint Venture	Key Management Personnel
Description of transaction:								
Issue of equity shares								
Anil Nagu	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	0.16 (-)
Reimbursement of expenses:								
Kohlberg Kravis Roberts & Co. LP.	0.84 -1.10	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
KKR Asia Limited	- (-)	- (-)	- (-)	- (-)	- (-)	5.04 -5.05	- (-)	- (-)
KKR India Advisors Private Limited	- (-)	- (-)	- (-)	- (-)	- (-)	16.38 -6.36	- (-)	- (-)
KKR India Financial Services Limited	- (-)	- (-)	42.03 -0.83	- (-)	- (-)	- (-)	- (-)	- (-)
KKR India Finance Holdings LLC	- (-)	- (-)	- (-)	15.59 -15.09	- (-)	- (-)	- (-)	- (-)
Recovery of expenses:								
KKR India Financial Services Limited	- (-)	- (-)	49.63 -15.34	- (-)	- (-)	- (-)	- (-)	- (-)
KKR India Advisors Private Limited	- (-)	- (-)	- (-)	- (-)	- (-)	23.79 -5.54	- (-)	- (-)
KKR India Debt Opportunities Fund II	- (-)	- (-)	- (-)	- (-)	0.22 -1.47	- (-)	- (-)	- (-)
Remuneration including reimbursement to Key Managerial Personnel:								
Mr. B.V. Krishnan	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- -2.77
Mr. Tashwinder Singh	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- -1.05
Mr. Naozad Sirwalla	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- -1.36
Mr. Anil Nagu	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	39.51 -4.31
Mr. Karthik Krishna	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	0.40 (-)
Mr. Binoy Parikh	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	7.75 (-)

(Rs. In Million)

C. Related party balances as at March 31, 2021	Ultimate Holding Company	Holding Company	Subsidiary Company	Company having having significant influence over the Company	Funds over which company having significant influence	Fellow subsidiaries	Joint Venture	Key Management Personnel
Equity Share Capital:								
KKR India Financial Investments Pte. Ltd.	-	1,914.67	-	-	-	-	-	-
	(-)	-1,914.67	(-)	(-)	(-)	(-)	(-)	(-)
Anil Nagu	-	-	-	-	-	-	-	0.16
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Investments in Equity Shares:								
KKR India Financial Services Limited	-	-	24,461.95	-	-	-	-	-
	(-)	(-)	-24,461.95	(-)	(-)	(-)	(-)	(-)
Investments in Units of Alternative Investment Funds:								
KKR India Debt Fund I	-	-	-	-	4.22	-	-	-
	(-)	(-)	(-)	(-)	-4.22	(-)	(-)	(-)
KKR India Debt Opportunities Fund III	-	-	-	-	4.25	-	-	-
	(-)	(-)	(-)	(-)	-4.25	(-)	(-)	(-)
KKR India Debt Opportunities Fund II	-	-	-	-	41.50	-	-	-
	(-)	(-)	(-)	(-)	-41.50	(-)	(-)	(-)
India Alternative Opportunities Fund	-	-	-	-	18.15	-	-	-
	(-)	(-)	(-)	(-)	-17.57	(-)	(-)	(-)
Investments in Limited Liability Partnership:								
Tranzmute LLP	-	-	-	-	-	-	80.50	-
	(-)	(-)	(-)	(-)	(-)	(-)	-80.50	(-)
Payables:								
Kohlberg Kravis Roberts & Co. LP.	0.84	-	-	-	-	-	-	-
	-1.10	(-)	(-)	(-)	(-)	(-)	(-)	(-)
KKR India Finance Holding LLC	-	-	-	3.91	-	-	-	-
	(-)	(-)	(-)	-3.81	(-)	(-)	(-)	(-)
KKR India Advisors Private Limited	-	-	-	-	-	0.24	-	-
	(-)	(-)	(-)	(-)	(-)	-3.54	(-)	(-)
KKR India Financial Services Limited	-	-	2.03	-	-	-	-	-
	(-)	(-)	-21.01	(-)	(-)	(-)	(-)	(-)
Receivables:								
KKR India Financial Services Limited	-	-	13.63	-	-	-	-	-
	(-)	(-)	-4.35	(-)	(-)	(-)	(-)	(-)
KKR India Advisors Private Limited	-	-	-	-	17.40	-	-	-
	(-)	(-)	(-)	(-)	-4.15	(-)	(-)	(-)
KKR India Debt Opportunities Fund II	-	-	-	-	11.63	-	-	-
	(-)	(-)	(-)	(-)	-20.58	(-)	(-)	(-)

Notes :
1. Related parties have been identified by the management.
2. Figures in brackets pertain to those of the previous year.

Note 36 : Employee share-based plan:

Pursuant to the KKR Capital Markets India Private Limited Employee Share Incentive Plan (ESIP) introduced by the Company during the previous year, the Company has granted Restricted Share Units (RSUs), inter alia, to the eligible employees and/or directors (the employees) of the Company and / or its subsidiary KKR India Financial Services Limited (KIFSL). The particulars of RSUs granted to the employees are given below.

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6
No. of RSUs granted	24,46,690	2,49,888	2,46,725	77,168	2,51,512	5,13,372
Grant Date	April 1, 2017	January 1, 2018	July 1, 2018	January 1, 2019	April 1, 2019	October 1, 2019
Exercise price (Rs. Per share)	10	10	10	10	10	10
Fair Value on Grant Date	151.40	213.80	214.00	192.50	158.99	102.14
Method of accounting	Fair Value					
Graded Vesting	Tranches 1, 3 and 4: 33.33% of the Tranche 1 RSUs shall vest on each of the 3 anniversaries of the Date of Grant of the respective tranche. Tranche 2: 33.33% of the Tranche 2 RSUs shall vest after 1 year from the Date of Grant, 33.33% of the Tranche 2 RSUs shall vest after 1 year and 9 months from the Date of Grant and 33.33% of the Tranche 2 RSUs shall vest after 2 years and 9 months from the Date of Grant. Tranches 5: 82% of the Tranche 5 RSUs shall vest on each of the 3 anniversaries of the Date of Grant of the tranche. Balance RSUs shall vest on each of 2 anniversaries of the Date of Grant of the tranche. Tranches 6: 3.12% of the Tranche 6 RSUs shall vest after 6months from the Date of Grant, 31.68% of the Tranche 6 RSUs shall vest after 1 year from the Date of Grant, 32.6% of the Tranche 6 RSUs shall vest after 1 year and 6 months from the Date of Grant and 32.6% of the Tranche 2 RSUs shall vest after 2 years and 6 months from the Date of Grant					
Exercise period	The earlier of (A) the third anniversary of the applicable vesting date and (B) a Change of Control and/or KKR Change of Control as specied in the plan or an Initial Public Offering; (C) or such other event as may be notified by the Board in this regard; subject to continued employment on such settlement date.					

(a) The movement of the RSUs granted to the employees is as under:

Particulars	Particulars	
	As at March 31, 2021	As at March 31, 2020
Outstanding at the beginning of the year	19,38,607	17,22,000
Granted during the year	-	7,64,884
Exercised during the year	10,34,181	-
Lapsed/ forfeited during the year	5,67,630	5,48,277
Outstanding at the end of the year	3,36,796	19,38,607
Exercisable at the end of the year	1,29,520	9,02,967

(b) Fair Valuation:
The fair value of RSUs used to compute proforma net income and the earnings per equity share has been done by an independent firm of Chartered Accountants on the date of grant using Black-Scholes Model. The Key assumptions in Black-Scholes Model for calculating the fair value as on the date of grant are as follows:

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6
Risk-Free Rate	6.60%-6.70%	7.00%-7.10%	7.70%-7.75%	7.11%-7.17%	6.15%-6.28%	6.15%-6.28%
RSU Life (Years)	5.5-6.5	5.5-6.5	5.5-6.5	5.5-6.51	5.5-6.5	5.5-6.5
Expected Volatility	48.60%-48.10%	48.10%-47.90%	48.20%-48.00%	50.00%	50.00%	50.00%
Dividend Yield	-	-	-	-	-	-
The weighted-average fair value of the RSU on grant date	151.4	213.8	214.00	192.50	158.99	102.14

Note 37. Foreign currency exposure not hedged by derivative instruments

Particulars	As at March 31, 2021		As at March 31, 2020	
	USD in Million	Rs in Million	USD in Million	Rs in Million
Trade payable	0.14	10.47	0.12	9.37

Note 38: Contingent liabilities

Particulars	As at March 31, 2021 Rs in Million	As at March 31, 2020 Rs in Million
Income-tax demands disputed in appeals	182.23	381.63

Note:
The tax impact / demands relate to disallowances of certain expenses / non-granting of credit for tax dedusted at source, by the Assessing Officer, which are disputed in appeals. The Company is hopeful of succeeding in the said appeals.

Note 39 : Investment Management Fees

The Company has entered into Investment Management Agreements (IMAs) with certain Alternative Investment Funds (the Funds). The investment management fees for the year ended March 31, 2021, payable by the Funds to the Company are calculated in accordance with the terms and conditions of the IMAs and form a part of Investment management fees disclosed in Note 22.
During the year, certain processing fees/lender fees are earned by the Company in connection with the investment by the Funds, in the portfolio companies of the Funds. Consequently, the Company has agreed with the Funds to off-set the investment management fees for the year, against such processing fees/lender fees as specified below:

(Rs. in Million)

Processing fees/lender fees available for off-set brought forward	Processing fees/ lender fees earned by the Company in the current year available for off-set	Investment management fees for the year as per the IMA	Investment management fees for the year after off-set	Processing fees/lender fees available for off-set carried forward
-	-	37.97	37.97	-
-	(3.50)	(95.52)	(92.02)	-

Notes:
1. The amounts are excluding goods and services tax.
2. Figures in brackets pertain to those of previous year.

Note 40: Particulars of investments made, as required by clause (4) of Section 186 of the Companies Act, 2013

Name	Nature	Rs in Million	Period (Months)	Rate of interest	Purpose
KKR India Financial Services Limited	Investment in Equity Shares	24,461.95	NA	NA	NA
		(24,461.95)	(NA)	(NA)	(NA)
KKR India Debt Fund I	Investment in units of Alternative Investment Funds	4.22	NA	NA	NA
		(4.22)	(NA)	(NA)	(NA)
KKR India Debt Opportunities Fund III		4.25	NA	NA	NA
		(4.25)	(NA)	(NA)	(NA)
KKR India Debt Opportunities Fund II		41.50	NA	NA	NA
		(41.50)	(NA)	(NA)	(NA)
India Alternative Opportunity Fund		18.15	NA	NA	NA
		(17.57)	(NA)	(NA)	(NA)
Tranzmute LLP	Contribution In LLP	79.05	NA	NA	NA
		(79.05)	(NA)	(NA)	(NA)

Note:
Figures in brackets pertain to those of the previous year.

Note 41. Capital commitment/Other commitments

(Rs. in Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital commitments (Capital contracts entered in to by the Company pending completion)	1.42	2.05

Note 42: Long-term contracts

The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses need to be provided as required under any law/accounting standards.

Note 43: Impairment of Investment in Subsidiary and Joint Venture

During the year ended 31st March, 2021, the Company has made an assessment of its value of investments in Subsidiary KKR India Financial Services Limited and Joint Venture Tranzmute LLP. Based on such assessments, an amount of INR 139.48 Crore as impairment as at 31st March, 2021, has been provided as impairment loss.

Note 44. Estimation uncertainty relating to COVID-19 global health pandemic:

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus. This pandemic and response thereon have impacted most of the industries. Consequent to the nationwide lock down on March 24, 2020, the Company's operations were scaled down in compliance with applicable regulatory orders. Subsequenlty, during the year, the Company's operations have been scaled up in a phased manner taking into account directives from various Government authorities. The impact on future operations would, to a large extent, depend on how the pandemic further develops and it's resultant impact on the operations of the Company. The Company continues to monitor the situation and take appropriate action, as considered necessary in due compliance with the applicable regulations.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021and has concluded that no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

Note 45. Social Security Code

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published

Note 46. Standards issued but not yet effective

On March 24, 2021, the Ministry of Corporate Affairs ('MCA') through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

Note 47. Merger

On September 9, 2020, the Board of Directors has approved the Composite Scheme of Arrangement and Amalgamation among Bee Finance Limited ('Transferor Company'), KKR Capital Markets India Private Limited ('Company' or 'Transferee Company'), InCred Financial Services Limited ('Demerged Company'), KKR India Financial Services Limited ('Resulting Company') and their respective shareholders under Sections 230 to 232, 66, 234 and other applicable provisions of the Companies Act, 2013 with effect from the appointed date April 1, 2022 ('Scheme') to be submitted to the National Company Law Tribunal and Reserve Bank of India for approval.

Note 48: Approval of financial statements

The financial statements for the year ended March 31, 2021 were authorised for issue by the Board of directors at its meeting held on September 22, 2021.

Note 49: Prior period comparatives

Previous years figures have been regrouped and reclassified where necessary to conform to current year's presentation.

Signatures to Notes 1 to 49

In terms of our report attached
For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison
Digitally signed by Srividya Vaidison
Date: 2021.09.24 12:00:38 +05'30'

Srividya Vaidison
Partner
Membership No.: 207132

Place: Mumbai
Date: September 22, 2021

For and on behalf of the Board of Directors of
For KKR Capital Markets India Private Limited

Brian Wesley Dillard
Digitally signed by Brian Wesley Dillard
Date: 2021.09.23 20:38:12 +05'30'

Brian Wesley Dillard
Director
DIN 08626376

ANIL NAGU
Digitally signed by ANIL NAGU
Date: 2021.09.23 20:37:36 +05'30'

Anil Nagu
Director & CFO
DIN 00110529

BINOY K PARIKH
Digitally signed by BINOY K PARIKH

Binoy K. Parikh
Company Secretary

Place: Mumbai
Date: September 22, 2021

MSKA
& Associates
Chartered Accountants

602, Floor 6, Raheja Titanium
Western Express Highway, Geetanjali
Railway Colony, Ram Nagar, Goregaon (E)
Mumbai 400063, INDIA
Tel: +91 22 6831 1600

INDEPENDENT AUDITOR'S REPORT

To the Members of KKR Capital Markets India Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of KKR Capital Markets India Private Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which includes Group's share of loss in its Joint Venture and comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the other financial information of the subsidiary and Joint Venture, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2021, of consolidated loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 50 to the consolidated financial statements, which describes that the extent to which the COVID-19 Pandemic will impact the Group financial statements will depend on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report are Director's Report but does not include the consolidated financial statements and our auditor's report thereon. The Director's report has not been made available to us.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statement or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the Joint venture included in the consolidated financial statements, which have been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and its subsidiary included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

We did not audit the financial statements / financial information of Tranzmute LLP, a Joint Venture, whose financial statements reflect total assets of Rs. 1,94,67,100 as at 31st March, 2021, total revenues of Rs. 3,09,39,800 for the year ended on that date. The consolidated financial statements also include the Group's share of net loss of Rs. 27,95,800 for the year ended 31st March, 2021, as considered in the consolidated financial statements, in respect of Tranzmute LLP, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this Joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Joint venture, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the report of its subsidiary, incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 45 to the consolidated financial statements.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary.

2. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Holding Company as it is a Private Company. The remuneration paid by the subsidiary to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison
Digitally signed by Srividya Vaidison
Date: 2021.09.24 12:18:09 +05'30'

Srividya Vaidison
Partner
Membership No. 207132
UDIN: 21207132AAAABR3647

Place: Mumbai
Date: September 22, 2021

602, Floor 6, Raheja Titanium
Western Express Highway, Geetanjali
Railway Colony, Ram Nagar, Goregaon (E)
Mumbai 400063, INDIA
Tel: +91 22 6831 1600

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KKR CAPITAL MARKETS INDIA PRIVATE LIMITED

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of KKR Capital Markets India Private Limited on the consolidated Financial Statements for the year ended March 31, 2021]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of KKR Capital Markets India Private Limited (hereinafter referred to as "the Holding Company") and its subsidiary, which are companies incorporated in India, as of that date. The joint venture is not a Company incorporated under the Act, and hence requirements of reporting on the internal financial controls over financial reporting is not applicable to the joint venture.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary, which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

MSKA & Associates
Chartered Accountants

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary, which are companies incorporated in India, have, in all material respects, internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison
Digitally signed by Srividya Vaidison
Date: 2021.09.24 12:18:50 +05'30'

Srividya Vaidison
Partner
Membership No. 207132
UDIN : 21207132AAAABR3647

Place: Mumbai
Date: September 22, 2021

KKR CAPITAL MARKETS INDIA PRIVATE LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

(Rs. In Million)

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I	**ASSETS**			
(1)	**Financial assets**			
	Cash and cash equivalents	4	7,500.54	6,619.18
	Trade Receivables	5	16.12	28.53
	Loans	6	13,826.60	25,557.97
	Investments	7	136.91	8,062.08
	Other financial assets	8	64.95	48.40
	Total Financial Assets		**21,545.12**	**40,316.16**
(2)	**Non-Financial assets**			
	Current Tax Assets (Net)	9	1,284.43	1,309.91
	Deferred Tax Assets (Net)	10	3,006.07	4,770.73
	Property, Plant and Equipment	11	22.39	36.36
	Capital Work in Progress		5.27	3.09
	Goodwill		2,982.57	2,982.57
	Right-to-use of Assets		70.98	89.48
	Other non-financial assets	12	355.19	367.09
	Total Non-Financial Assets		**7,726.90**	**9,559.23**
	Total Assets		**29,272.02**	**49,875.39**
II	**LIABILITIES AND EQUITY**			
(1)	**Financial Liabilities**			
	Trade Payables	13		
	(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises		0.03	-
	(ii) Total Outstanding Dues of Creditors other than Micro enterprises and Small Enterprises		108.93	85.70
	Debt Securities	14	2,594.03	10,384.10
	Borrowings (Other than Debt Securities)	15	9,963.10	18,581.75
	Other Financial Liabilities	16	1,822.99	4,459.06
	Total Financial Liabilities		**14,489.08**	**33,510.61**
(2)	**Non-Financial Liabilities**			
	Current tax liabilities (Net)	17	5.13	14.95
	Provisions	18	27.78	21.22
	Total Non-Financial Liabilities		**32.91**	**36.17**
(3)	**EQUITY**			
	Equity Share Capital	19	1,925.01	1,914.67
	Other Equity	20	12,825.02	14,413.94
	Total Equity		**14,750.03**	**16,328.61**
	Total Liabilities and Equity		**29,272.02**	**49,875.39**

Significant Accounting Policies
The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison Digitally signed by Srividya Vaidison Date: 2021.09.24 12:08:40 +05'30'

Srividya Vaidison
Partner
Membership No.: 207132

Place: Mumbai
Date: September 22, 2021

For and on behalf of the Board of Directors of
For KKR Capital Markets India Private Limited

Brian Wesley Dillard Digitally signed by Brian Wesley Dillard Date: 2021.09.23 20:48:27 +05'30'

Brian Wesley Dillard
Director
DIN 08626376

ANIL NAGU Digitally signed by ANIL NAGU Date: 2021.09.23 20:54:49 +05'30'

Anil Nagu
Director & CFO
DIN 00110529

BINOY K PARIKH Digitally signed by BINOY K PARIKH

Binoy K. Parikh
Company Secretary

Place: Mumbai
Date: September 22, 2021

KKR CAPITAL MARKETS INDIA PRIVATE LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Rs. In Million)

	Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from Operations				
	Interest Income	21	3,907.79	7,398.71
	Fee Income	22	63.93	160.94
	Other Operating Income	23	2.60	20.16
(I)	**Total Revenue from Operations**		**3,974.32**	**7,579.81**
(II)	Other Income	24	238.63	2.80
(III)	**Total Income (I+II)**		**4,212.95**	**7,582.61**
Expenses				
	Finance Cost	25	2,289.00	3,877.07
	Net Loss on Fair Value Changes	26	2,282.80	7,149.05
	Impairment on Financial Instruments	27	(1,875.01)	12,008.93
	Impairment of Non Current Asset	28	25.20	160.00
	Employee Benefit Expense	29	378.56	395.31
	Depreciation and Amortisation	30	38.17	32.01
	Other Expenses	31	895.72	594.23
(IV)	**Total Expenses**		**4,034.44**	**24,216.60**
(V)	**(Loss)/ Profit before Tax and Exceptional Item (III-IV)**		**178.51**	**(16,633.99)**
Tax expense				
	Current Tax		-	-
	For earlier year		(1.87)	56.94
	Deferred Tax	10	1,763.88	(3,904.22)
(VII)	**Total Tax Expense**		**1,762.01**	**(3,847.28)**
(VIII)	**Net (Loss)/ Profit After Tax (V-VI)**		**(1,583.50)**	**(12,786.71)**
	Add/(less): Share of Profit/(Loss) in Joint Venture		(2.80)	(57.45)
(VIII)	**Net Profit After Tax and share of joint venture**		**(1,586.30)**	**(12,844.16)**
(IX)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to Profit or Loss	32	2.73	(5.42)
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss	32	(0.69)	1.36
	Other Comprehensive Income		**2.04**	**(4.06)**
(X)	**Total Comprehensive Income for the Year (IX+X)**		**(1,584.26)**	**(12,848.22)**
(XI)	**Earnings per Equity Share**	41		
	Basic (₹)		(8.26)	(66.08)
	Diluted (₹)		(8.26)	(66.08)

Significant Accounting Policies
The accompanying notes are an integral part of the financial statements.

In terms of our report attached
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison
Digitally signed by Srividya Vaidison
Date: 2021.09.24 12:11:21 +05'30'

Srividya Vaidison
Partner
Membership No.: 207132

For and on behalf of the Board of Directors of
For **KKR Capital Markets India Private Limited**

Brian Wesley Dillard
Digitally signed by Brian Wesley Dillard
Date: 2021.09.23 20:48:52 +05'30'

Brian Wesley Dillard
Director
DIN 08626376

ANIL NAGU
Digitally signed by ANIL NAGU
Date: 2021.09.23 20:55:36 +05'30'

Anil Nagu
Director & CFO
DIN 00110529

BINOY K PARIKH
Digitally signed by BINOY K PARIKH

Binoy K. Parikh
Company Secretary

Place: Mumbai
Date: September 22, 2021

Place: Mumbai
Date: September 22, 2021

KKR CAPITAL MARKETS INDIA PRIVATE LIMITED
Consolidated Cash Flow statement for the year ended March 31, 2021

(Rs. In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash Flow From Operating Activities		
(Loss)/ Profit before tax	178.51	(16,633.99)
Adjustments for		
Depreciation and amortisation	38.17	32.01
Impairment on financial instruments (Expected Credit Loss)	(1,866.19)	12,008.93
Impairment of Non current Asset	25.20	160.00
Net loss/ (gain) on fair value changes	2,282.80	7,149.05
Employee share incentive plan expenses	(4.65)	5.89
Interest expense	2,251.45	3,948.70
Interest income	71.02	223.47
Investment Written off (Including accrued interest)	-	-
Fees Receivable Write off	14.40	74.17
Provision for doubtful advance	(8.82)	38.43
Provision for Employee benefits	17.63	(6.17)
B. Operating Profit/ (loss) Before Working Capital Changes	**2,999.52**	**7,000.49**
Working capital changes		
Loans to Corporate and others	12,263.91	4,164.93
Investments	6,902.85	4,623.44
Trade receivables	6.83	47.33
Other financial assets	(16.54)	23.75
Right-to-use of Assets	(4.54)	(107.39)
Other non-financial assets	(13.30)	(49.54)
Trade and other payables	23.23	(225.09)
Provision for Employee benefits	(8.34)	-
Other financial liability	(30.81)	232.04
Other non-financial liability	-	(46.70)
Cash flows (Used in)/ Generated From Operating Activities	**22,122.81**	**15,663.26**
Income tax paid	17.52	(735.18)
Net Cash Flows (Used in)/ Generated from Operating Activities	**22,140.33**	**14,928.08**
C. Cash Flow From Investing Activities		
Purchase of property plant and equipment	(3.42)	(27.87)
Sale of Fixed asset	0.11	-
Investment in Joint Venture	-	(40.00)
Investment in Alternative Investment Fund	(0.57)	(2.30)
Repayment of investments in NCD's	-	21.48
Repayment of investments in Alternative Investment Fund	-	16.19
Net cash flows used in investing activities	**(3.88)**	**(32.50)**
D. Cash Flow From Financing Activities		
Debt securities repaid	(7,800.00)	(7,550.00)
Borrowings (other than debt securities) taken / (repaid) (net)	(8,571.17)	1,721.13
Addition/(reduction) in securities premium	-	-
Proceeds from issue of equity shares	10.34	-
Finance cost	(4,894.26)	(4,912.03)
Net Cash Flows Generated from/ (used in) Financing Activities	**(21,255.09)**	**(10,740.90)**
Net increase in cash and cash equivalents	881.36	4,154.68
Cash and cash equivalents at the beginning of the year	6,619.18	2,464.50
Cash and Cash Equivalents at the end of the year	**7,500.54**	**6,619.18**
***Components of Cash and Cash Equivalents**		
Balances with Banks :		
- In Current Accounts	66.85	1,634.00
- In Deposit accounts with original maturity of 3 months or less	7,433.69	4,985.16
	-	-

The above Statement of Cash Flow has been prepared under the indirect method set out in Ind AS-7-Statement of Cash Flow.

The accompanying notes are an integral part of the financial statements.

In terms of our report attached
For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison Digitally signed by Srividya Vaidison Date: 2021.09.24 12:12:45 +05'30'

Srividya Vaidison
Partner
Membership No.: 207132

For and on behalf of the Board of Directors of
For KKR Capital Markets India Private Limited

Brian Wesley Dillard Digitally signed by Brian Wesley Dillard Date: 2021.09.23 20:49:22 +05'30'

Brian Wesley Dillard
Director
DIN 08626376

ANIL NAGU Digitally signed by ANIL NAGU Date: 2021.09.23 20:56:40 +05'30'

Anil Nagu
Director & CFO
DIN 00110529

BINOY K PARIKH Digitally signed by BINOY K PARIKH

Binoy K. Parikh
Company Secretary

Place: Mumbai
Date: September 22, 2021

Place: Mumbai
Date: September 22, 2021

KKR CAPITAL MARKETS INDIA PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

As at April 01, 2019	Changes in equity share capital during the year 2019-20	As at March 31, 2020	Changes in equity share capital during the year 2020-21	As at March 31, 2021
1,914.67	-	1,914.67	10.34	1,925.01

B. OTHER EQUITY

Particulars	Reserves and Surplus					
	Securities Premium	Retained Earnings	Statutory Reserve - Reserve Fund pursuant to Section 45-IC of the RBI Act, 1934	Capital Reserve	Employee Share Based Plan reserve	Total
Balance as at April 1, 2019	**22,536.39**	**4,052.16**	**439.91**	**24.20**	**203.61**	**27,256.27**
Loss for the year	-	(12,844.16)	-	-		**(12,844.16)**
Other Comprehensive Income for the year	-	(4.06)	-	-	-	**(4.06)**
Trasfer from Share Option Outstanding on ESOP's Excercised	-	-	-	-	5.89	**5.89**
Balance as at March 31, 2020	**22,536.39**	**(8,796.06)**	**439.91**	**24.20**	**209.50**	**14,413.94**
Balance as at April 1, 2020	**22,536.39**	**(8,796.06)**	**439.91**	**24.20**	**209.50**	**14,413.94**
Loss for the year	-	(1,586.30)	-	-	**-**	**(1,586.30)**
Other Comprehensive Income for the year	-	2.04	-	-	-	**2.04**
Employess Stock Options Amortised During The Year	-	-	-	-	(158.68)	**(158.68)**
Received during the year	154.02	-	-	-	-	**154.02**
Balance as at March 31, 2021	**22,690.41**	**(10,380.32)**	**439.91**	**24.20**	**50.82**	**12,825.02**

The accompanying notes are an integral part of the financial statements.

In terms of our report attached
For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison
Digitally signed by Srividya Vaidison
Date: 2021.09.24 12:14:05 +05'30'

Srividya Vaidison
Partner
Membership No.: 207132

Place: Mumbai
Date: September 22, 2021

For and on behalf of the Board of Directors of
For KKR Capital Markets India Private Limited

Brian Wesley Dillard
Digitally signed by Brian Wesley Dillard
Date: 2021.09.23 20:50:06 +05'30'

Brian Wesley Dillard
Director
DIN 08626376

ANIL NAGU
Digitally signed by ANIL NAGU
Date: 2021.09.23 20:57:37 +05'30'

Anil Nagu
Director & CFO
DIN 00110529

BINOY K PARIKH
Digitally signed by BINOY K PARIKH

Binoy K. Parikh
Company Secretary

Place: Mumbai
Date: September 22, 2021

Note 1. General Information

KKR Capital Markets India Private Limited (the Company), was incorporated as a private limited company on January 03, 2011 under the provisions of the Companies Act, 1956. The Company is registered with the Securities and Exchange Board of India as a 'Category I Merchant Banker' and the Company is engaged in providing investment advisory, investment management and finance arrangement services.

Note 2. Basis of preparation and significant accounting policies

a. Basis of accounting and preparation of financial statements

The Company along with its subsidiary and a joint venture is collectively referred to as 'the Group'. The consolidated financial statements (financial statements) of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below, the relevant provisions of the Companies Act, 2013 (the Act) (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The financial statements have been prepared and presented on the going concern bases and at historical cost except for the following assets and liabilities, which have been subsequently measured at fair values.

a) Certain Financial instruments measured at fair value
b) Employee's Defined benefit plans as per actuarial valuation
c) Share based payments

b. Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Amounts in the financial statements are presented in Indian Rupees in millions rounded off to two decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee to two decimal places.

c. Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company, its subsidiary and its joint venture.

- An entity which is, directly or indirectly, controlled by the Group is treated as subsidiary. Control is achieved when the Company, directly or indirectly:
  - has power over the investee;
  - is exposed, or has rights, to variable returns from its involvement with the investee;
  - and has the ability to use its power to affect its returns.
- The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.
- Where necessary, adjustments are made to the financial statements of subsidiary and joint venture to bring their accounting policies into line with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company.
- All intragroup assets and liabilities, equity, income, expenses, unrealised profits/losses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.
- The consolidated financial statements of the Group combines financial statements of the Company and its subsidiary line by-line by adding together the like items of assets, liabilities, income and expenses.

d. Investment in joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint venture are incorporated in these consolidated financial statements using equity method of accounting. Under the equity method, an investment in joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture. Distributions received from a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an joint venture exceeds the Group's interest in that joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

The carrying amount of investment in joint venture is reduced to recognize impairment, if any, when there is objective evidence of impairment.

e. Business Combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the Statement of Profit and Loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date except deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements, which are recognised and measured in accordance with Ind AS 12- Income taxes and Ind AS 19- Employee benefits, respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of non-controlling interest in the aquiree, and the fair value of acquirer's previously held equity instrument in the aquiree (if any) over the net of acquisition date fair value of identifiable assets acquired and liabilities assumed. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

f. Goodwill

Goodwill on consolidation as on the date of transition represents the excess of cost of acquisition at each point of time of making the investment in the subsidiary over the Group's share in the net worth of a subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation represents excess of the Group's share in the net worth of a subsidiary over the cost of acquisition at each point of time of making the investment in the subsidiary. Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying of each asset in the unit. Any impairment loss for goodwill is recognised directly in the Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

g. Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the Group will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability). After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at Fair Value Through Profit or Loss (FVTPL). Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in the Statement of Profit and Loss.

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- Loans / investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- all other loans / investments (e.g. loans / investments managed on a fair value basis, or held for sale, or with contractual cash flow that are not SPPI) and equity investments are subsequently measured at FVTPL.

However, the Group may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies, in OCI; and
- the Group may irrevocably designate loan / investments that meet the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).
- Debt instruments at amortised cost or at FVTOCI

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Group's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are meeting SPPI test.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Group considers all relevant information available when making the business model assessment. However this assessment is not performed on the basis of scenarios that the Group does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Group takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Group has not identified a change in its business models.

When loans / investments measured at FVTOCI are derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to the Statement of Profit or Loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss but transferred within equity. Loans/Investments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Financial assets that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Financial assets at FVTPL

Financial assets at FVTPL are:

- assets with contractual cash flows that are not SPPI; or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in the Statement of Profit and Loss.

Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Group's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made.

Impairment

The Group recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- loans and advances to customers;
- debt investment securities;
- lease receivables; and
- loan commitments issued.

No impairment loss is recognised on equity investments.

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after thereporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- for undrawn loan and debt commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Group if the holder of the commitment draws down the loan and the cash flows that the Group expects to receive if the loan is drawn down; and

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans and debt investment that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan / investment is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a back-stop if amounts are overdue for 90 days or more.

Derecognition of financial assets

A financial asset is 8erecognized only when:

- The Group has transferred the rights to receive cash flows from the financial assets or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial assets. In such cases, the financial assets is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Write-off

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

Financial liabilities and equity instruments
Classification as debt or equity
Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instrument
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities
A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group or a contract that will or may be settled in the Group's own equity instruments and is a non-derivative contract for which the Group is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group's own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost.

Financial liabilities subsequently measured at amortised cost
Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of anasset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

h. Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

i. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

j. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

i. Interest income

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate (EIR) applicable.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL, transaction costs are recognised in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)).

ii. **Fee income:**

Fee income includes finance arrangement fees, investment advisory fees and investment management fees, which are not an integral part of EIR. Such fees are accounted as an accrual basis in the Statement of Profit and Loss, as and when services are rendered.

iii. **Other operating income:**

Other operating income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

k. Property, plant and equipment (PPE)

Property, plant and equipment (PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes professional fees related to the acquisition of PPE.

Depreciation / amortization is recognised on a straight-line basis over the estimated useful lives of respective assets as under:

Assets	Useful Life
Furniture and fixtures	3 years
Office equipment	3 years
Computer	3 years
Software	3 years
Leasehold improvements	amortised over the period of lease

l. Impairment of tangible and intangible assets other than goodwill

As at the end of each accounting year, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the property, plant and equipment are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

m. Employee benefits

Defined contribution plans - Provident Fund
Group’s contributions to provident and other funds are charged as expense to the Statement of Profit and Loss in the period in which the service is rendered.

Defined benefit plans - Gratuity
The Group's Gratuity liability under the Payment of Gratuity Act,1972 is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The Group’s net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability is computed by applying the discount rate, used to measure the net defined liability, to the net defined liability at the start of the financial year after taking into account any changes as a result of payment and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

Short-term employee benefits
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long-term employee benefits
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date, based on actuarial valuation.

Employees share-based plan

The Restricted Share Units (RSUs) granted to the employees pursuant to the Group's Employees Share Incentive plan, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

n. Operating Leases

The Company as a Lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset; (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes right-of-use ("ROU") asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset, if the Company changes its assessment on exercise of an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet, and lease payments have been classified as financing cash flows.

o. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

p. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the Statement of Profit or Loss in the period in which they are incurred. Borrowing costs include interest expense calculated using the EIR, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

q. Foreign currencies

i. The functional currency and presentation currency of the Group is Indian Rupee. Functional currency of the Group has been determinedbased on the primary economic environment in which the Group operates considering the currency in which funds are generated, spent and retained.

ii. Transactions in currencies other than the Group's functional currency are recorded on initial recognition using the exchange rate at thetransaction date. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the year end Nonmonetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks;

r. Earnings per share

Basic earnings per share are computed by dividing net income by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Diluted earnings per share are computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

s. Taxes on income

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit or loss.

Current income taxes are determined based on the taxable income of the Group.

Current income taxes are determined based tax is measured on the basis of estimated taxable income of the Group's current accounting period in accordance with the applicable tax rate and the provisions of the Income-tax Act, 1961, and the rules framed thereunder.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

t. Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

i. an entity has a present obligation (legal or constructive) as a result of a past event; and
ii. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
iii. a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;and
ii. a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.
Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

Contingent Assets:
Contingent assets are not recognised in the financial statements

Commitments
Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

a) estimated amount of contracts remaining to be executed on capital account and not provided for;
b) uncalled liability on shares and other investments partly paid;
c) funding related commitment to associate and joint venture companies; and
d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Note 3. Critical accounting judgements and key sources of estimation uncertainties

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Impairment of loans / investments portfolio at amortised cost
The measurement of impairment losses across all categories of financial assets at amortised cost requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors which include quantitative and qualitative information and analysis, based on the Group's historical experience and forward-looking information. In certain cases, the assessment is based on past experience is required for future estimation of cash flow which requires significant judgement. The inputs and method applied for impairment assessment are detailed in Note 36.

Fair value of financial assets
Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.
All financial assets are initially recognised at fair value, which is normally the transaction price. Subsequent to initial recognition, some of the Group’s financial instruments are carried at fair value, with changes in fair value either reported within the income statement. Details of the type and classification of the Group’s financial assets are set out in note 36 and the accounting policy set out in note 2 (i).

Since the market for the Group’s financial assets, which are in unlisted securities, is not active, the Group establishes fair value by using valuation techniques. These include the use of discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. Determination of fair value is based on the best information available in the circumstances and may incorporate the managements’ own assumptions, including appropriate risk adjustments for non-performance and lack of marketability.

Because of the inherent uncertainty of the valuation methodologies and assumptions, estimated fair values of such assets may differ from the values that would have been used had a ready market for the assets existed and the differences could be material. Considerable judgement is necessarily required in interpreting market data to determine the estimates of value; accordingly the estimate of value presented in the financial statements are not necessarily indicative of the amounts that the Group could realize in market exchange.

Effective Interest Rate (EIR) method

The Group's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to Group's base rate and other fee income/expense that are integral parts of the instrument.

Note 4. Cash and cash equivalents

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Cash in hand	-	0.02
(ii) Balances with banks:		
- In Current Accounts	66.85	1,634.00
- In Deposit accounts (with original maturity of 3 months or less)	7,433.69	4,985.16
Total	**7,500.54**	**6,619.18**

Note 5. Trade Receivables (Unsecured)

Particulars	As at March 31, 2021	As at March 31, 2020
Considered Good	16.12	28.54
Credit Impaired	-	16.61
	16.12	**45.15**
Less Impairment Loss Allowance	-	(16.62)
Total	**16.12**	**28.53**

Notes:
(i) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
(ii) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

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Note 6. Loans

(Rs. In Million)

Particulars	As at March 31, 2021 Amortised cost	As at March 31, 2021 At Fair Value through profit or loss	As at March 31, 2021 Total	As at March 31, 2020 Amortised cost	As at March 31, 2020 At Fair Value through profit or loss	As at March 31, 2020 Total
A						
Term Loans to Corporates and others	11,572.03	3,177.78	14,749.81	23,592.28	4,878.38	28,470.66
Total – Gross (A)	11,572.03	3,177.78	14,749.81	23,592.28	4,878.38	28,470.66
Less: Expected Credit Loss	(923.21)	-	(923.21)	(2,912.69)	-	(2,912.69)
Total – Net (A)	**10,648.82**	**3,177.78**	**13,826.60**	**20,679.59**	**4,878.38**	**25,557.97**
B						
(a) Secured by tangible assets (Refer Note (i) below)	10,520.64	-	10,520.64	20,140.40	4,878.38	25,018.78
(b) Secured by intangible assets	-	-	-	-	-	-
(c) Unsecured	1,051.39	-	1,051.39	3,451.88	-	3,451.88
Total – Gross (B)	**11,572.03**	**-**	**11,572.03**	**23,592.28**	**4,878.38**	**28,470.66**
Less: Expected Credit Loss	(923.21)	-	(923.21)	(2,912.69)	-	(2,912.69)
Total – Net (B)	**10,648.82**	**-**	**10,648.82**	**20,679.59**	**4,878.38**	**25,557.97**
C						
Loans in India						
(i) Public Sector	-		-	-	-	-
(ii) Others	11,572.03	3,177.78	14,749.81	23,592.28	4,878.38	28,470.66
Total (C) Gross	**11,572.03**	**3,177.78**	**14,749.81**	**23,592.28**	**4,878.38**	**28,470.66**
Less: Expected Credit Loss	(923.21)	-	(923.21)	(2,912.69)	-	(2,912.69)
Total (C) Net	**10,648.82**	**3,177.78**	**13,826.60**	**20,679.59**	**4,878.38**	**25,557.97**

Notes:
(i) Term loans are secured against tangible assets such as real estate (including land, residential/commercial/Industrial property, etc.), plant and machinery and equity shares of listed / unlisted companies.
(ii) The Group does not have any loans outside India.

Note 7. Investments

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
At Cost		
Investments in Joint Venture (accounted under equity method)	79.05	79.05
Less: Share in losses CY	(2.80)	(41.32)
Less: Share in losses PY	(57.35)	(16.13)
	18.90	21.60
At Amortised Cost		
Investment in Debenture	-	5,049.01
At Fair Value Through Profit or Loss		
Investments in Debentures	59.62	5,849.22
Investments in Equity Share	-	256.22
Investments in Alternative Investment Funds	58.39	49.27
Total	136.91	11,225.31
Less: Allowance for Impairment loss	-	(3,163.23)
Total Investments	**136.91**	**8,062.08**
Investment Outside India	-	-
Investment In India	136.91	8,062.08

Note 8. Other financial assets

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Unbilled revenue	35.00	54.52
Contractually recoverable expenses	53.14	34.37
Security deposits	9.96	9.09
Other deposits	0.29	1.07
Advance to Vendors	1.56	2.84
	99.95	**101.89**
Less: Impairment allowance	(35.00)	(53.49)
Total	**64.95**	**48.40**

Note 9. Current Tax Assets (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance Tax (net of provision for tax)	1,284.43	1,309.91
Total	**1,284.43**	**1,309.91**

Note 10. Deferred Tax Assets /(Liabilities) (Net)

A) The major components of deferred tax assets and liabilities are:

Particulars	As at March 31, 2021	As at March 31, 2020
Assets:		
Provisions for employee benefit	26.89	50.33
Depreciation	7.99	9.62
Disallowance under section 40(a) of Income-tax Act, 1961	5.29	2.14
Expected Credit Loss on Loans / Investments at amortised cost	232.34	1,659.92
Loss on Loans/Investments at FVTPL	257.20	1,011.97
Loss during the period	4,144.86	2,190.46
Amortised Fees Income	14.32	55.30
Others	8.83	1.50
	4,697.72	**4,981.24**
Liabilities:		
Deffered tax asset reserve*	1,686.25	-
Amortised Finance Cost	5.40	0.93
Lease Liability	0.00	0.33
Others	-	209.25
	1,691.65	**210.51**
Net Deferred Tax Asset	**3,006.07**	**4,770.73**

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Note 11. Property, plant and equipment

(Rs. In Million)

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	As at April 01, 2020	For the Year	Deductions	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Furniture and Fixtures	1.86	-	-	1.86	1.20	0.29	-	1.49	0.37	0.66
Office Equipment	7.93	0.38	0.11	8.20	4.73	1.56	-	6.29	1.91	3.20
Computers	12.77	0.86	-	13.63	6.42	4.46	-	10.88	2.75	6.35
Leasehold improvements	26.05	-	-	26.05	13.57	3.00	-	16.57	9.48	12.48
Software	20.51	-	-	20.51	6.84	5.79	-	12.63	7.88	13.67
				-						
Total	**69.12**	**1.24**	**0.11**	**70.25**	**32.76**	**15.10**	**-**	**47.86**	**22.39**	**36.36**

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at April 01, 2019	Additions	Deductions	As at March 31, 2020	As at April 01, 2019	For the Year	Deductions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Furniture and Fixtures	1.15	0.71	-	1.86	1.04	0.16	-	1.20	0.66	0.11
Office Equipment	5.07	2.86	-	7.93	3.48	1.25	-	4.73	3.20	1.59
Computers	8.29	4.48	-	12.77	3.08	3.34	-	6.42	6.35	5.21
Leasehold improvements	12.07	13.98	-	26.05	11.06	2.51	-	13.57	12.48	1.01
Software	-	20.51	-	20.51	-	6.84	-	6.84	13.67	-
Total	**26.58**	**42.54**	**-**	**69.12**	**18.66**	**14.10**	**-**	**32.76**	**36.36**	**7.92**

Note 12. Other non-financial assets

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid Expenses	1.44	2.19
Advance for purchase of property	510.10	510.10
GST receivable	28.18	9.81
Advance to Vendors	0.67	0.95
Prepaid Rent	-	4.04
Total	**540.39**	**527.09**
Less: Impairment allowance	(185.20)	(160.00)
Total	**355.19**	**367.09**

Note:
Impairment allowance represents allowance on advance for purchase of property which in the opinion of the management is doubtful of recovery.

Note 13. Trade Payables

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	0.03	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	108.93	85.70
Total	**108.96**	**85.70**

Note:
There are no significant dues to Micro and Small Enterprises as at March 31, 2021. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

Note 14. Debt Securities- At Amortised Cost

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Non Convertible Debentures	2,594.03	10,384.10
Total	**2,594.03**	**10,384.10**

Notes:

(i) The Group does not have any Borrowings outside India.

(ii) Terms of NCD's

(a)The January 2015 Series 5 NCDs of Rs. 600 Million is redeemable on January 16, 2022.

(b) The April 2015 Series 4 NCDs of Rs. 700 Million is redeemable on April 23, 2021.

(c) The December 2016 Series 2 and 3 NCDs of Rs. 650 Million each are redeemable on March 9, 2022 and March 9, 2023

(i) The NCDs are redeemable at the amounts arrived at by multiplying the outstanding principal amount of such NCDs being redeemed on the redemption date, by the Internal Rate of Return (IRR). IRR is calculated as (1 + r)^n, where r = is a rate ranging between 8.90% to 10.50% per annum compounded annually and n = number of days for which the NCDs are outstanding/365. In case of prepayment, an additional prepayment premium would be payable in the range of 0.50% to 2.00% of the face value of the amount being prepaid.

(j) All the NCDs are secured by first priority non-exclusive hypothecation on a floating charge basis over whole of the loans, non-convertible debentures, optionally convertible debentures and receivable thereof, of the Company, whether current or in future, other than excluded assets as defined in the terms of the NCDs.

(k) All NCDS are additionally secured by Cash Security comprising cash in specified bank accounts and fixed deposits created / to be created by the Company.

Note 15. Borrowings (Other Than Debt Securities) - At Amortised Cost

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Term Loans from Banks	6,484.50	14,831.97
Loan Repayable on Demand		
From Banks (Working Capital Demand Loan)	2,250.00	2,250.00
From Banks (Cash Credit)	1,228.60	1,499.78
Unsecured		
Loans from Bank	-	-
Total	**9,963.10**	**18,581.75**

Notes:

(i) The Company does not have any Borrowings outside India.

(ii) Terms of Term loans :

(a) Term loans from banks are repayable in annual instalments commencing from the date of initial disbursement, with a door to door tenor of up-to five years.

(b) The rate of interest is in the range of 8.45% to 9.95% p.a.

(c) Term loans and Working Capital Demand Loans from banks are secured by way of First pari-passu charge on standard loans and advances / receivables of the Company which are eligible for direct bank finance as per RBI guidelines except excluded assets.

Note 16. Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Interest Accrued but not due on Debt Securities at amortised cost	1,608.94	4,214.21
Obligations under finance lease	75.81	93.23
Provision for Salary & Bonus	78.56	105.53
Statutory liabilities	48.49	46.09
Advances from customers	11.19	-
Total	**1,822.99**	**4,459.06**

Note 17. Current tax liabilities (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Tax (Net of Advance Tax)	5.13	14.95
Total	**5.13**	**14.95**

Note 18. Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits		
Gratuity	9.05	9.69
Compensated Absences	18.73	11.53
Total	**27.78**	**21.22**

Note 19. Equity Share Capital

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
AUTHORISED		
200,000,000 March 31, 2020: 200,000,000 (Previous year: 200,000,000) Equity Shares of Rs. 10/- each	2,000.00	2,000.00
	2,000.00	**2,000.00**
ISSUED, SUBSCRIBED AND FULLY PAID UP		
192,501,144 March 31, 2021: 192,501,144 (Previous year 191,466,963) Equity Shares of Rs. 10/- each fully paid-up	1,925.01	1,914.67
	1,925.01	**1,914.67**

Notes:

Term/Right Attached to Equity Shares

The Company has only one class of Equity Shares having a par value of Rs 10 per Share. Each holder of Equity Shares is entitled to one vote per Share.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of the Equity Shares held by the shareholders.

(a) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Equity shares outstanding as at the beginning of the year	19,14,66,963	1,914.67	19,14,66,963	1,914.67
Issued during the year	1,034,181	10.34	-	-
Equity shares outstanding as at the end of the year	**19,25,01,144**	**1,925.01**	**19,14,66,963**	**1,914.67**

(b) Details of shareholders holding more than 5 percent shares in the Company are given below:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	%	Number	%
KKR India Financial Investments Pte. Ltd. (the Holding Company w.e.f. March 30, 2017) (including one Equity Share held by a nominee)	191,466,963	99.4628%	191,466,963	100.00%

(c) All the above Equity shares have the same dividend and voting rights and in case of repayment of capital.

Note 20. Other equity

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Statutory Reserve - Reserve Fund pursuant to Section 45-IC of the RBI Act, 1934 (Refer note below)		
Balance as per the last Balance Sheet	439.91	439.91
Add: Amount transferred from Statement of Profit and Loss	-	-
Closing balance	**439.91**	**439.91**
(a) Capital Redemption Reserve		
Balance as per the last Balance Sheet	24.20	24.20
Closing balance	**24.20**	**24.20**
(b) Securities premium account		
Balance as per the last Balance Sheet	22,536.39	22,536.39
Add: Received during the year	154.02	-
Closing balance	**22,690.41**	**22,536.39**
(c) Retained earnings (Surplus in Statement of Profit and Loss)		
Balance as per the last Balance Sheet	(8,796.06)	4,052.16
Profit/ (Loss) for the year	(1,586.30)	(12,844.16)
Other Comprehensive Income	2.04	(4.06)
Less: Transfer to Reserve Fund under Section 45 I C of Reserve Bank of India Act, 1934	-	-
Closing balance	**(10,380.32)**	**(8,796.06)**
(d) Employees Share Based Plan Reserve		
Balance as per the last Balance Sheet	209.50	203.61
Add: Expense for the year	(158.68)	5.89
Closing balance	**50.82**	**209.50**
TOTAL	**12,825.02**	**14,413.94**

Note 21. Interest Income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on Loans		
On Financial Assets Measured at Amortised Cost	2,312.27	3,859.47
On Financial Assets classified at Fair Value Through Profit or Loss	559.72	1,063.40
Interest Income from Investments		
On Financial Assets Measured at Amortised Cost	223.17	789.81
On Financial Assets classified at Fair Value Through Profit or Loss	630.65	1,509.56
Interest Income on Fixed Deposits with Bank		
On Financial Assets Measured at Amortised Cost	181.98	176.47
Total	**3,907.79**	**7,398.71**

Note 22. Fee Income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Finance arrangement fees	7.75	17.87
Investment advisory fees	16.54	28.28
Investment management fees (Refer note 43)	39.64	114.79
Total	**63.93**	**160.94**

Note 23. Other operating income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Income from units in Alternative Investment Funds	2.60	20.16
Total	**2.60**	**20.16**

Note 24. Other Income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit on disposal of non-current loan/Investment	187.80	-
Reversal of provision on fee of previous year	3.43	-
Interest on Income Tax refund	46.57	-
Income on recovery from loan written off in previous years	-	2.28
Discount value of future rent	0.83	0.52
Total	**238.63**	**2.80**

Note 25. Finance cost

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
On Financial Liabilities Measured at Amortised Cost		
Interest on debt securities	972.59	1,973.71
Interest on borrowings (other than debt securities)	1,308.30	1,896.24
Interest expense on lease liability	8.11	7.12
Total	**2,289.00**	**3,877.07**

Note 26. Net loss/(gain) on fair value changes

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(A) Net gain on financial instruments at fair value through profit or loss	-2,715.01	2,996.64
Fair Value changes:		
-Realised	-	-
-Unrealised	-2,715.01	2,996.64
(B) Loans/Investment written off (including accrued interest)	4,997.81	4,152.41
Total Net loss on fair value changes	**2,282.80**	**7,149.05**

Note 27. Impairment on Financial Instruments (Expected Credit Loss)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
On Investment at amortised cost	(5,208.81)	4,810.18
On Receivables	(8.82)	8.82
On Loan commitments	56.10	10.11
On Loans written off (including accrued interest)	3,286.52	7,179.82
Total	**(1,875.01)**	**12,008.93**

Note 28. Impairment on Non- Financial Instruments

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Provision for Advance against property	25.20	160.00
Total	**25.20**	**160.00**

Note 29. Employee benefit expense

(Rs. In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and bonus	335.88	340.80
Contribution to Provident Fund	6.29	4.48
Gratuity	3.94	6.49
Compensated absences	10.95	7.43
Employee share based plan expenses	(4.65)	5.89
Staff welfare expenses	26.15	30.22
Total	**378.56**	**395.31**

Note 30. Depreciation and Amortisation Expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of Property, Plant and Equipment	15.10	14.10
Depreciation of Lease Assets	23.07	17.91
Total	**38.17**	**32.01**

Note 31. Other expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent	-	5.55
Rates and taxes	0.59	3.74
Repairs and maintenance	2.09	1.27
Electricity	1.27	1.98
Travelling and conveyance	0.54	52.04
Legal and professional expenses	515.84	375.87
Office expenses	1.79	8.20
Membership and subscription	8.34	6.49
Auditors' remuneration (Refer Note (i) below)	3.66	3.45
Donation	0.09	0.15
Corporate Social Responsibility expenses (Refer Note (ii) below)	1.78	-
Insurance	0.56	0.92
Fees written off	14.40	74.17
Business promotion	(0.14)	6.62
Loss on disposal of non-current loan/Investment	325.02	-
Provision for Doubtful Debts	-	38.43
Foreign exchange loss (net)	3.96	1.25
Miscellaneous expenses (Refer Note (iii) below)	15.93	14.10
Total	**895.72**	**594.23**

Notes:

(i) Auditors' remuneration

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) For Statutory Audit	3.30	3.20
b) For Tax Audit	0.25	0.25
c) For taxation related service	-	-
d) For other services (Certification Fees)	0.11	-
d) For reimbursement of expenses	-	-
Total	**3.66**	**3.45**

(ii) Corporate Social Responsibility expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Gross Amount Required to be spent during the year	-	-
Amount spent during the year on CSR for purposes other than construction /acquisition of any asset.	1.78	-

(iii) Miscellaneous Expenses

Miscellaneous expenses include Postage, Courier charges, Printing and Stationary etc.

Note 32. Other comprehensive income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement (loss)/gain on defined benefit plan	2.73	(5.42)
Income tax relating to these items	(0.69)	1.36
Total other comprehensive income for the year, net of tax	**2.04**	**(4.06)**

Note 33 - Loans / Investments at amortised cost (including Trade advance)

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances. Credit risk encompasses both, direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks.

1.1 Credit quality of assets

(Rs. In Million)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade*								
Performing grade	8,946.10	-	-	**8,946.10**	17,870.89	-	-	**17,870.89**
Under Performing grade	-	2,625.93	-	**2,625.93**	-	8,122.05	-	**8,122.05**
Non-performing grade	-	-	-	**-**	-	-	2,648.35	**2,648.35**
Total	**8,946.10**	**2,625.93**	**-**	**11,572.03**	**17,870.89**	**8,122.05**	**2,648.35**	**28,641.29**

1.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to lending is, as follows:

(Rs. In Million)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**17,870.89**	**8,122.05**	**2,648.35**	**28,641.29**	**34,187.54**	**2,113.08**	**1,611.07**	**37,911.69**
New assets originated (net)	(46.68)	(178.44)	-	**(225.12)**	8,328.30	3,031.12	186.07	**11,545.49**
Assets derecognised or repaid (excluding write offs) (net)	(7,262.20)	(5,835.66)	(848.30)	**(13,946.16)**	(13,855.25)	(199.80)	-	**(14,055.05)**
Transfers to Stage 1	-	-	-	**-**	-			-
Transfers to Stage 2	(1,615.91)	1,615.91	-	**-**	(5,090.92)	5,090.92		-
Transfers to Stage 3	-	(1,097.93)	1,097.93	**-**	(851.21)		851.21	-
Amounts written off	-	-	(2,897.98)	**(2,897.98)**	(4,847.57)	(1,913.27)	-	(6,760.84)
Gross carrying amount closing balance	**8,946.10**	**2,625.93**	**-**	**11,572.03**	**17,870.89**	**8,122.05**	**2,648.35**	**28,641.29**

Reconciliation of ECL balance is given below:

(Rs. In Million)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**424.01**	**3,601.70**	**2,050.21**	**6,075.92**	615.40	62.97	577.26	**1,255.63**
Assets originated/derecognised/repaid (excluding write-off)	(29.24)	(1,975.32)	(508.98)	**(2,513.54)**	181.45	3,540.69	1,429.62	**5,151.76**
Transfers to Stage 1				-	-	-	-	**-**
Transfers to Stage 2	(37.61)	37.61		-	(61.01)	61.01		**-**
Transfers to Stage 3		(1,097.93)	1,097.93	-	(43.33)		43.33	**-**
Amounts written off		-	(2,639.17)	**(2,639.17)**	(268.50)	(62.97)	-	**(331.47)**
ECL allowance - closing balance	**357.16**	**566.06**	**-**	**923.21**	**424.01**	**3,601.70**	**2,050.21**	**6,075.92**

*Internal rating grades are classified on below basis

Grade	Classification Basis	Stage
Performing grade	0-30 DPD	Stage 1
Under Performing grade	31-90 DPD	Stage 2
Non-performing grade	>90 DPD	Stage 3

Note 34. Income Taxes

1. Income Tax recognised in Total Comprehensive Income

(Rs. In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current Tax	-	-
Deferred Tax	1,763.88	(3,904.22)
Total Income tax expense recognised in the Statement of Profit and Loss	**1,763.88**	**(3,904.22)**
Tax on Other Comprehensive Income	(0.69)	1.36
Total Income tax expense recognised in Total Comprehensive Income	**1,763.19**	**(3,902.86)**

2. Reconciliation of income tax expense for the year:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax	178.51	(16,633.99)
Income tax rate	25.168%	25.168%
Income tax expense	**44.93**	**(4,186.44)**
Tax effect of:		
Expenses disallowed	32.02	1.74
Tax on temporary differences on which deferred tax is either not created or reversed due to no reasonable certainty of future profits	-	40.27
DTA reserve	1,686.24	-
Impact of tax rate change	-	241.57
Total	**1,718.26**	**283.58**
Income tax expense recognised in Total Comprehensive Income	**1,763.19**	**(3,902.86)**

Note 35. Financial instruments

A. Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. Capital Management Policy, objectives and processes are under constant review by the Board.

B. Financial instruments

(i) Fair Value

Classes and categories of financial instruments and their fair values

The following table combines information about:
• classes of financial instruments based on their nature and characteristics;
• the carrying amounts of financial instruments;
• fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
• fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed

Set out below, is the accounting classification of financial instruments by category:

(Rs in Million)

Particulars	As at March 31, 2021		As at March 31, 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments	118.01	-	6,154.70	1,885.78
Trade receivables (net of provisions)	-	16.12	-	28.53
Loans	3,177.78	10,648.82	4,878.38	20,679.59
Cash and cash equivalents	-	7,500.54	-	6,619.18
Security deposits	-	9.96	-	9.09
Other financial assets	-	54.99	-	39.31
Total financial assets	**3,295.79**	**18,230.43**	**11,033.08**	**29,261.48**
Financial liabilities				
Debt Securities	-	2,594.03	-	10,384.10
Borrowings (Other than Debt Securities)	-	9,963.10	-	18,581.75
Trade and other payables	-	108.96	-	85.70
Finance lease obligation	-	75.81	-	93.23
Other financial liabilities	-	1,747.18	-	4,365.83
Total financial liabilities	**-**	**14,489.08**	**-**	**33,510.62**

Note: INDAS 107 shall not apply to financial instruments those entrusts in subsidiaries, associates or joint ventures that are accounted for in accordance with INDAS 110 consolidated financial statement

(ii) Fair value and fair value hierarchy for financial assets at FVTPL

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(Rs in Million)

Financial assets and liabilities measured at fair value - recurring fair value measurements **As at March 31, 2021**	**Notes**	**Carrying Amount**	**Level 1**	**Fair Value Level 2**	**Level 3**	**Total**
Financial assets						
Loans to Corporates and Others at FVTPL	6	3,177.78	-	-	3,177.78	3,177.78
Investments at FVTPL	7	118.01	-	-	118.01	118.01
Total financial assets		**3,295.79**	**-**	**-**	**3,295.79**	**3,295.79**

(Rs in Million)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed **As at March 31, 2021**	**Notes**	**Carrying Amount**	**Fair Value**
Financial assets			
Cash and cash equivalents	4	7,500.54	7,500.54
Trade receivables (net of provisions)	5	16.12	16.12
Loans - To Corporates and others	6	10,648.82	10,142.35
Investments	7	-	
Security deposits	8	9.96	9.96
Other financial assets	8	54.99	54.99
Total financial assets		**18,230.43**	**17,723.96**
Financial Liabilities			
Trade and other payables	13	108.96	108.96
Debt Securities	14	2,594.03	2,526.71
Borrowings other than Debt Securities	15	9,963.10	10,009.90
Finance lease obligation	16	75.81	75.81
Other financial liabilities	16	1,747.18	1,747.18
Total financial liabilities		**14,489.08**	**14,468.56**

(Rs in Million)

Financial assets and liabilities measured at fair value - recurring fair value measurements **As at March 31, 2020**	**Notes**	**Carrying Amount**	**Level 1**	**Fair Value Level 2**	**Level 3**	**Total**
Financial assets						
Loans to Corporates and Others at FVTPL	6	4,878.38	-	-	4,878.38	**4,878.38**
Investments at FVTPL	7	6,154.70	256.22	-	5,898.48	**6,154.70**
Total financial assets		**11,033.08**	**256.22**	**-**	**10,776.86**	**11,033.08**

(Rs in Million)

Assets and liabilities which are measured at cost /amortised cost for which fair values are disclosed **As at March 31, 2020**	**Notes**	**Carrying Amount**	**Fair Value**
Financial assets			
Cash and cash equivalents	4	6,619.18	6,619.18
Trade receivables (net of provisions)	5	28.53	28.53
Loans - To Corporates and others	6	20,679.59	19,649.18
Investments	7	1,885.78	1,729.45
Security deposits	8	9.09	9.09
Other financial assets	8	39.31	39.31
Total financial assets		**29,261.48**	**28,074.74**
Financial Liabilities			
Trade and other payables	13	85.70	85.70
Debt Securities	14	10,384.10	10,186.53
Borrowings other than Debt Securities	15	18,581.75	18,686.06
Finance lease obligation	16	93.23	93.23
Other financial liabilities	16	4,365.83	4,365.83
Total financial liabilities		**33,510.62**	**33,417.35**

(iii) Valuation process and technique for financial assets at FVTPL

The management estimates the fair values of financial assets and liabilities required for financial reporting purposes, including level 3 fair values, after giving consideration to purchase price, market conditions, current and projected operating performance, expected cash flows, projected dividends, anticipated future securities' values and the market value of publicly traded shares of portfolio companies. Determination of fair value is based on the best information available in the circumstances and may incorporate the management's own assumptions, including appropriate risk adjustments for non-performance and lack of marketability. The method used to estimate the fair value of such assets is the income approach (e.g. the discounted cash flow method, waterfall approach based on issuer yield curve etc.).

Type of Financial Instrument	**Valuation Technique**
Investments	Income Approach
Borrowings	Income Approach

(iv). Sensitivity of fair value measurements to changes in unobservable market data

The following table demonstrates the sensitivity to a reasonably possible change in the significant unobservable inputs (all other variables being considered as constant) of the Company's Statement of Profit and Loss and Equity.

(Rs in Million)

Particulars	**Increase / (decrease) in the issuer yield curve**	**Sensitivity of profit or loss**		**Sensitivity of equity**	
2020-21					
Loans/Investments at FVTPL	50 Basis point Up	Impact on Profit before Tax	(118.73)	Impact on equity	(88.85)
	50 Basis point down		198.95		148.88
2019-20					
Loans/Investments at FVTPL	70 Basis point Up	Impact on Profit before Tax	(387.26)	Impact on equity	(136.42)
	70 Basis point down		(100.68)		139.66

Particulars	Increase / (decrease) in the Equity Price	Sensitivity of profit or loss		Sensitivity of equity	
2020-21					
Loans/Investments at FVTPL	10% Increase in Price	Impact on Profit before Tax	5.84	Impact on equity	4.37
	10% Decrease in Price		(5.84)		(4.37)
2019-20					
Loans/Investments at FVTPL	10% Increase in Price	Impact on Profit before Tax	9.76	Impact on equity	7.30
	10% Decrease in Price		(8.68)		(6.49)

Particulars	Increase / (decrease) in the Operating Margin	Sensitivity of profit or loss		Sensitivity of equity	
2020-21					
Loans/Investments at FVTPL	1% Increase in Margin	Impact on Profit before Tax	-	Impact on equity	-
	1% Decrease in Margin		(-)		(-)
2019-20					
Loans/Investments at FVTPL	1% Increase in Margin	Impact on Profit before Tax	9.64	Impact on equity	7.21
	1% Decrease in Margin		(9.64)		(7.21)

Particulars	Increase / (decrease) in the Revenue	Sensitivity of profit or loss		Sensitivity of equity	
2020-21					
Loans/Investments at FVTPL	1% Increase in Revenue	Impact on Profit before Tax	-	Impact on equity	-
	1% Decrease in Revenue		(-)		(-)
2019-20					
Loans/Investments at FVTPL	1% Increase in Revenue	Impact on Profit before Tax	7.78	Impact on equity	5.83
	1% Decrease in Revenue		(7.57)		(5.67)

C. Risk management framework

The Company's risks are managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. The company considers ongoing risk management as a critical function and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk and liquidity risk.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organizational risk culture. Further the Company has a designated Chief Risk Officer (CRO) overseeing the risk management functions.

1. Credit risk

Credit Risk in simple terms is the risk of borrowers / obligors ability to honour their obligations in timely manner and the loss that may be incurred by the Company in the event of the failure of borrowers to meet their repayment obligations. The Company manages this risk by setting limits for single and group borrower exposures, sectoral exposure norms and limits on unsecured exposures.

2. Impairment assessment

(i) Exposure at Default (EAD)

EAD is aggregate of the amortized principal, accrued interest and committed undrawn lines as on the default date and the same is used for purpose of ECL computation.

Exposure to Investments which are accounted as per amortized cost method have been classified under the following three stages at borrower level in line with Ind AS 109.

Stage 1 – Investments with low credit risk and where there is no significant increase in credit risk. The Investments up to 0-30 days are classified as Stage1.

Stage 2 – Investments with significant increase in credit risk as compared to the risk assessed at their origination are considered as stage 2. These include underperforming assets i.e. assets with overdue > 30 days and < 90 days or any other asset that the management, based on a qualitative assessment, considers to be underperforming in its view irrespective of the numbers of days the account is overdue.

Stage 3 – Non Performing or Impaired borrowers and defined as borrowers with over dues > 90 days or where the management, based on a qualitative assessment, considers the default to be imminent.

(ii) Significant increase in credit risk

The Company continuously monitors all investments subject to ECLs. This monitoring is to evaluate if there has been any significant in the credit risk over the balance life of the investments as compared to the assessed credit risk at the time of their origination. Such evaluation may lead to either revision in the probability of default and / or revision in the asset classification stage (1 or 2) based on overdue status or management's qualitative assessment that the underlying risk has significantly increased and the asset needs to be assessed either on the basis of lifetime PD or default PD if the default is considered imminent. The Company considers an exposure to have significantly increased in credit risk if contractual payments are more than 30 days past due or where the management, based on a qualitative assessment, considers the asset to be underperforming in its view irrespective of the numbers of days the account is overdue.

(iii) Definition of default and cure

In the event any borrower has defaulted on asset repayment obligations for 90 days or more, the same is considered as credit impaired i.e. stage 3.
Factors considered for Stage definition
Besides the number of days an account is overdue, the Company considers various qualitative factors to assess whether any exposure should be moved to Stage 2 or Stage 3 (for imminent threat of default cases). Some of the indicative parameters (non-exhaustive) are :

• Financial parameters such as drop in profitability / increase in debt / adverse changes in debt / EBIDTA or DSCR ratios
• A breach of contract such as a default or past due event or material covenant breaches;
• The restructuring of the asset by the Company on terms that the Company would not consider otherwise; or
• It is becoming probable that the borrower will enter bankruptcy or other financial reorganization

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the borrower makes necessary payments and the borrower is not 90 days past due after such payments. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and the relative credit risk as compared to the asset origination stage.

(iv) estimation process

The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The Company has its own internal ratings for client exposures and these have been mapped to leading external credit rating agency's ratings and probabilities of default. The Company has applied
a. 12 months PD to Stage 1 Investments
b. Lifetime PD for Stage 2 assets
c. 100% PD for Stage 3 assets

(v) Loss given default

The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that would be expected to be received, including from realization of any prime/collateral security. LGD is computed based on discounted expected recoveries at an account level based on collateral valuation after applying appropriate hair cut and appropriate recovery time.

3. Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Company has guidelines in place covering the acceptability and valuation of each type of collateral. Generally the Company accepts collaterals such as real estate (residential / commercial / land parcels), shares (listed / unlisted / promoter owned), plant and machinery, stock and book debts etc. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.
In case of defaults by customers (whether of due payments or underlying security conditions / covenants), the Company has the right to enforce the security and monetise the same towards part or full liquidation of the credit exposure.

4. Liquidity risk and funding management

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations as and when they fall due on account of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis.

Liquidity risk is managed in accordance with the approved Asset Liability Management (ALM) Policy framed as per the current regulatory guidelines. The Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Company formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the ALM Policy.

Further, the Company's current financial assets are higher than the current financial liabilities on the Balance Sheet date.

(Rs. In Million)

Particulars	As at March 31, 2021			As at March 31, 2020		
LIABILITIES	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Long-term borrowings	7,526.63	2,436.47	9,963.10	12,077.51	6,504.24	18,581.75
Debt Securities	1,946.70	647.33	2,594.03	7,043.44	3,340.66	10,384.10
Trade and other payables	108.96	-	108.96	85.70	-	85.70
Finance Lease Obligation	19.15	56.66	75.81	17.43	75.82	93.25
Other financial liability	1,473.58	273.60	1,747.18	2,763.73	1,602.08	4,365.81
	11,075.02	**3,414.06**	**14,489.08**	**21,987.81**	**11,522.80**	**33,510.61**

5. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The core business of the company is providing loans to Corporates and others. The Company borrows through various financial instruments to finance its core lending activity. These activities expose the Company to interest rate risk.

Exposure to interest rate risk

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Variable-rate instruments		
Variable Rate Loans	4,817.71	8,059.63
Variable Rate Borrowings	12,557.14	28,965.85
Total	**17,374.85**	**37,025.48**

Interest rate risk is measured through earnings at risk from an earnings perspective. Further, exposure to fluctuations in interest rates is measured by way of gap analysis across different time buckets (based on contracted / behavioural maturities), providing a static view of the maturity and re-pricing characteristic of Balance sheet positions. Interest rate risk is monitored on a quarterly basis.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being considered as constant) of the Company's statement of profit and loss and equity.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being considered as constant) of the Company's Statement of Profit and Loss and equity.

(Rs in Million)

Currency	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity	
2020-21					
Borrowings	50 Basis point Up	Impact on Profit before Tax	(59.25)	Impact on equity	(44.34)
	50 Basis point Down		60.01		44.90
Variable rate Loans	50 Basis point Up	Impact on Profit before Tax	(45.45)	Impact on equity	(34.01)
	50 Basis point Down		46.18		34.55
2019-20					
Borrowings	70 Basis point Up	Impact on Profit before Tax	(206.22)	Impact on equity	(154.32)
	70 Basis point Down		210.07		157.20
Variable rate Loans	70 Basis point Up	Impact on Profit before Tax	(90.79)	Impact on equity	(67.94)
	70 Basis point Down		92.69		69.36

Note 36. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. They have been classified to mature and/or be repaid within 12 months.

(Rs. In Million)

Particulars	As at March 31, 2021			As at March 31, 2020		
ASSETS	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Financial Assets						
Cash and cash equivalents	7,500.54	-	7,500.54	6,619.18	-	6,619.18
Trade receivables	16.12	-	16.12	28.53	-	28.53
Loans	1,526.17	12,300.43	13,826.60	6,495.48	19,062.49	25,557.97
Investments	60.25	76.66	136.91	2,023.88	6,038.20	8,062.08
Other financial assets	54.69	10.26	64.95	38.24	10.16	48.40
Non-Financial assets						
Current Tax Assets (Net)	-	1,284.43	1,284.43	-	1,309.91	1,309.91
Deferred tax assets (Net)	-	3,006.07	3,006.07	-	4,770.73	4,770.73
Property, plant and equipment	-	22.39	22.39	-	36.36	36.36
Capital work-in-progress	5.27	-	5.27	-	3.09	3.09
Right-to-use of Assets	4.15	66.83	70.98	3.98	85.50	89.48
Other non-financial assets	3.51	351.68	355.19	3.58	363.51	367.09
Total Assets	**9,170.70**	**17,118.75**	**26,289.45**	**15,212.87**	**31,679.95**	**46,892.82**
LIABILITIES						
Financial Liabilities						
Trade and other payables	108.96	-	108.96	85.70	-	85.70
Debt Securities	1,946.70	647.33	2,594.03	7,043.44	3,340.66	10,384.10
Borrowings (Other than Debt	7,526.63	2,436.47	9,963.10	12,077.51	6,504.24	18,581.75
Finance Lease Obligation	19.15	56.66	75.81	17.43	75.82	93.25
Other Financial Liabilities	1,473.58	273.60	1,747.18	2,763.73	1,602.08	4,365.81
Non-Financial Liabilities						
Current tax liabilities (Net)	5.13	-	5.13	-	14.95	14.95
Provisions	4.07	23.71	27.78	3.27	17.95	21.22
Total Liabilities	**11,084.22**	**3,437.77**	**14,521.99**	**21,991.08**	**11,555.70**	**33,546.78**
Net	**-1,913.52**	**13,680.98**	**11,767.46**	**-6,778.21**	**20,124.25**	**13,346.04**

Note 37. Change in liabilities arising from financing activities

(Rs. In Million)

Particulars	As at April 1, 2019	Cash flows	Other	As at March 31, 2020
Debt securities	10,384.11	(7,800.00)	9.93	2,594.04
Borrowings other than debt securities	18,581.75	(8,571.17)	(47.48)	9,963.09
Total liabilities from financing activities	**28,965.86**	**(16,371.17)**	**(37.55)**	**12,557.13**

Note 38.

(i) Provident Fund

Provident fund for certain eligible employees is paid to recognised provident fund managed by the Government. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their termination/retirement, in accordance with PF rules. The contribution to the said recognised fund is considered as expenses in the Profit and loss account on accrual basis. The charge during the current year towards employer's share of contribution is INR 6.29 million(Previous year INR 4.48 million).

(ii) Gratuity Fund

The Company accounts for its liability towards Gratuity based on actuarial valuation made by an independent actuary as at the balance sheet date based on projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

The gratuity policy of the company provides for lumpsum payment to vested employees at retirement or on termination of employment, based on respective employee's salary and years of employment in accordance with Payment of Gratuity Act, 1972.

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2021:

(Rs. In Million)

Particulars	As at April 1, 2020	Service cost	Net interest expense	Benefits paid	Actuarial changes arising from changes in financial assumptions	Experience adjustments	As at March 31, 2021
Defined benefit obligation	9.69	3.28	0.66	(1.85)	(0.01)	(2.72)	9.05
Benefit liability	**9.69**	**3.28**	**0.66**	**(1.85)**	**(0.01)**	**(2.72)**	**9.05**

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2020:

Particulars	As at April 1, 2019	Service cost	Net interest expense	Benefits paid	Actuarial changes arising from changes in financial assumptions	Experience adjustments	As at March 31, 2020
Defined benefit obligation	10.23	5.68	0.80	(12.44)	0.86	4.56	9.69
Benefit liability	**10.23**	**5.68**	**0.80**	**(12.44)**	**0.86**	**4.56**	**9.69**

Sensitivity analysis

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Sensitivity Level	1% increase	1% increase	1% decrease	1% decrease
Impact on defined benefit obligation				
1) Discount Rate	(0.38)	(0.85)	0.41	1.01
2) Future Salary Increases	0.25	0.70	(0.26)	(0.71)
3) Employee Turnover	(0.16)	0.05	0.17	(0.09)

Maturity Analysis of benefit payments

Particulars	As at March 31, 2021	As at March 31, 2020
Within the next 12 months	0.56	1.46
Between 2 and 5 years	5.79	2.41
Between 6 and 10 years	3.73	3.00
Beyond 10 years	1.77	16.82
Total expected payments	**11.85**	**23.69**

Table showing actuarial assumptions

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	5.58%	6.84%
Rate of increase in compensation levels of covered employees	6.00%	6.00%
Mortality rate	Indian Assured Lives (2006-08)	Indian Assured Lives (2006-08)
Attrition rate	20.00%	2.00%

Note 39. Segment Information

The principal object of the Company is to carry on the activities of advisory and finance arrangement services. All other activities of the Company revolve around / are connected with its principal object. Considering this, the Company has only one reportable segment.

Note 40. Lease disclosure

Under Ind-AS 116, the Company recognises right-of-use assets and lease liabilities for leases i.e. these leases are on the balance sheet. Lease liabilities as at 01 April 2019 were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. The weighted average of lessee's incremental borrowing rate applied to the lease liabilities as at 01 April 2019 was 9.50%.

Changes in the carrying value of Right-of-use Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	89.48	-
Additions	-	107.38
Deletion	-	-
Depreciation	21.48	17.90
Closing balance	**68.00**	**89.48**

Changes in the Lease liabilities

The following is the movement in Lease Liabilities during the year ended 31st March, 2021:

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	93.23	-
Addition	-	107.39
Add: Lease interest	8.11	7.12
Less: Lease payments	25.53	21.28
Closing balance	**75.81**	**93.23**

Maturity analysis of Lease liability

The table below provides details regarding the Contractual Maturities of Lease Liabilities on an undiscounted basis:

Particulars	As at March 31, 2021	As at March 31, 2020
a) Payable not later than one year	20.33	17.42
b) Payable later than one year and not later than five years	57.83	75.81
c) Payable later than five years	-	-
Total	**78.16**	**93.23**

The following amounts were recognised as expense in the year:

Particulars	As at March 31, 2021	As at March 31, 2020
Interest on Lease liability	8.11	7.12
Depreciation on Leased asset	21.48	17.89
Total	**29.59**	**25.01**

Amounts recognised in statement of Cash Flows

Particulars	As at March 31, 2021	As at March 31, 2020
Total Cash outflow for lease asset	25.53	21.28

Note 41. Earnings Per Share

The computation of earnings per share is set out below:

Particulars			Year ended March 31, 2021	Year ended March 31, 2020
Net Profit after tax as per Statement of Profit and Loss	(A)	(Rs. In Million)	(1,586.30)	(12,844.16)
Weighted average number of equity shares for calculating Basic EPS	(B)	Nos.	19,20,01,347	19,14,66,963
Weighted average number of diluted potential equity shares on exercise of Restricted Share Units (Refer note 38)	(C)	Nos.	7,87,314	10,91,140
Weighted average number of equity shares for calculating Diluted EPS	(D)	Nos.	19,27,88,661	19,25,58,103
Basic earnings per equity share (in Rupees) (Face value of Rs. 10/- per share)	(A)/(B)	Rs.	(8.26)	(67.08)
Diluted earnings per equity share (in Rupees) (Face value of Rs. 10/- per share)	(A)/(D)	Rs.	(8.26)	(67.08)

Note 42. Related party transactions

A. Details of related parties

Names of related parties	Description of Relationship
Kohlberg Kravis Roberts & Co. L.P.	Ultimate Holding Company
KKR Mauritius PE Investments I, Limited	Fellow subsidiary
KKR India Financial Investments Pte Limited	Holding Company
KKR India Financial Services Limited	Subsidiary Company
KKR India Finance Holding LLC	Company having significant influence over the Company
KKR India Debt Fund I	Fund over which the Company is able to exercise significant influence
KKR India Debt Opportunities Fund III	Fund over which the Company is able to exercise significant influence
KKR India Debt Opportunities Fund II	Fund over which the Company is able to exercise significant influence
India Alternative Opportunities Fund	Fund over which the Company is able to exercise significant influence
KKR Capital Markets Holdings LLP	Fellow subsidiary
KKR Asia Limited	Fellow subsidiary
KKR India Advisors Private Limited	Fellow subsidiary
Tranzmute LLP	Joint Venture
Mr. B V Krishnan	Key Managerial Personnel (Executive Director till October 29,2019)
Mr. Naozad Sirwalla	Key Managerial Personnel (Company Secretary & Chief Financial Officer till June 28,2019)
Mr. Tashwinder Singh	Key Managerial Personnel (Executive Director till June 28,2019)
Mr. Karthik Krishna	Key Managerial Personnel (Non-Executive Director)
Ms. Aparna Ravi	Key Managerial Personnel (Independent Director)
Mr. Jigar Shah	Key Managerial Personnel (Whole-Time Director)
Mr. Sanjay Nayar	Key Managerial Personnel (Managing Director till December 30, 2020)
Mr. Anil Nagu	Key Managerial Personnel (Whole-Time Director and Chief Financial Officer)
Mrs. Parul Sarda	Key Managerial Personnel (Company Secretary till June 30, 2020)
Mr. Binoy Parikh	Key Managerial Personnel (Company Secretary w.e.f July 01, 2020)

(Rs. In Million)

B. Related party transactions	**Ultimate Holding Company**	**Holding Company**	**Subsidiary Company**	**Company having having significant influence over the Company**	**Funds over which company having significant influence**	**Fellow subsidiaries**	**Joint Venture**	**Key Management Personnel**
Description of transaction:								
Investments in Units of Alternative Investment Funds:								
India Alternative Opportunities Fund	-	-	-	-	0.57	-	-	-
	(-)	(-)	(-)	(-)	(2.30)	(-)	(-)	(-)
Redemption of Units of Alternative Investment Funds:								
KKR India Debt Fund I	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(8.11)	(-)	(-)	(-)
KKR India Debt Opportunities Fund III	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(8.08)	(-)	(-)	(-)
Investment in Limited Liability Partnership :								
Tranzmute LLP	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(40.00)	(-)
Interest income from units in Alternative Investment Funds:								
KKR India Debt Fund I	-	-	-	-	0.08	-	-	-
	(-)	(-)	(-)	(-)	(4.72)	(-)	(-)	(-)
KKR India Debt Opportunities Fund II	-	-	-	-	1.20	-	-	-
	(-)	(-)	(-)	(-)	(8.93)	(-)	(-)	(-)
KKR India Debt Opportunities Fund III	-	-	-	-	0.08	-	-	-
	(-)	(-)	(-)	(-)	(4.70)	(-)	(-)	(-)
India Alternative Opportunities Fund	-	-	-	-	1.23	-	-	-
	(-)	(-)	(-)	(-)	(1.81)	(-)	(-)	(-)
Investment management fees (income):								
KKR India Debt Fund I	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(1.93)	(-)	(-)	(-)
KKR India Debt Opportunities Fund II	-	-	-	-	37.97	-	-	-
	(-)	(-)	(-)	(-)	(89.29)	(-)	(-)	(-)
KKR India Debt Opportunities Fund III					-			
	(-)	(-)	(-)	(-)	(0.80)	(-)	(-)	(-)

(Rs. In Million)

B. Related party transactions	**Ultimate Holding Company**	**Holding Company**	**Subsidiary Company**	**Company having having significant influence over the Company**	**Funds over which company having significant influence**	**Fellow subsidiaries**	**Joint Venture**	**Key Management Personnel**
Description of transaction:								
Issue of equity shares								
Anil Nagu	-	-	-	-	-	-	-	0.16
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Reimbursement of expenses:								
Kohlberg Kravis Roberts & Co. LP.	13.52	-	-	-	-	-	-	-
	-6.90	(-)	(-)	(-)	(-)	(-)	(-)	(-)
KKR Asia Limited	-	-	-	-	-	23.13	-	-
	(-)	(-)	(-)	(-)	(-)	-28.64	(-)	(-)
KKR India Advisors Private Limited	-	-	-	-	-	17.93	-	-
	(-)	(-)	(-)	(-)	(-)	-29.60	(-)	(-)
KKR India Finance Holdings LLC	-	-	-	31.14	-	-	-	-
	(-)	(-)	(-)	-30.37	(-)	(-)	(-)	(-)
Recovery of expenses:								
KKR India Advisors Private Limited	-	-	-	-	-	45.02	-	-
	(-)	(-)	(-)	(-)	(-)	-25.35	(-)	(-)
KKR India Debt Opportunities Fund II	-	-	-	-	0.22	-	-	-
	(-)	(-)	(-)	(-)	-1.47	(-)	(-)	(-)
Remuneration including reimbursement to Key Managerial Personnel:								
Mr. B.V. Krishnan	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-11.08
Mr. Tashwinder Singh	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-59.65
Mr. Naozad Sirwalla	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-1.36
Mr. Anil Nagu	-	-	-	-	-	-	-	39.51
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-4.31
Mr. Jigar Shah	-	-	-	-	-	-	-	59.91
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-36.84
Mr. Sanjay Nayar	-	-	-	-	-	-	-	3.75

	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-1.53
Mr. Karthik Krishna	-	-	-	-	-	-	-	1.10
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Ms. Aparna Ravi	-	-	-	-	-	-	-	0.30
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Mrs. Parul Sarda	-	-	-	-	-	-	-	0.09
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-0.36
Mr. Binoy Parikh	-	-	-	-	-	-	-	7.75
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

(Rs. In Million)

C. Related party balances as at March 31, 2021	**Ultimate Holding Company**	**Holding Company**	**Subsidiary Company**	**Company having having significant influence over the Company**	**Funds over which company having significant influence**	**Fellow subsidiaries**	**Joint Venture**	**Key Management Personnel**
Equity Share Capital:								
KKR India Financial Investments Pte. Ltd.	-	1,914.67	-	-	-	-	-	-
	(-)	-1,914.67	(-)	(-)	(-)	(-)	(-)	(-)
Anil Nagu	-	-	-	-	-	-	-	0.16
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Investments in Units of Alternative Investment Funds:								
KKR India Debt Fund I	-	-	-	-	4.22	-	-	-
	(-)	(-)	(-)	(-)	-4.22	(-)	(-)	(-)
KKR India Debt Opportunities Fund III	-	-	-	-	4.25	-	-	-
	(-)	(-)	(-)	(-)	-4.25	(-)	(-)	(-)
KKR India Debt Opportunities Fund II	-	-	-	-	41.50	-	-	-
	(-)	(-)	(-)	(-)	-41.50	(-)	(-)	(-)
India Alternative Opportunities Fund	-	-	-	-	18.15	-	-	-
	(-)	(-)	(-)	(-)	-17.57	(-)	(-)	(-)
Investments in Limited Liability Partnership:								
Tranzmute LLP	-	-	-	-	-	-	80.50	-
	(-)	(-)	(-)	(-)	(-)	(-)	-80.50	(-)
Payables:								
Kohlberg Kravis Roberts & Co. LP.	9.97	-	-	-	-	-	-	-
	-6.90	(-)	(-)	(-)	(-)	(-)	(-)	(-)
KKR India Finance Holding LLC	-	-	-	7.80	-	-	-	-
	(-)	(-)	(-)	-7.62	(-)	(-)	(-)	(-)
KKR India Advisors Private Limited	-	-	-	-	-	0.82	-	-
	(-)	(-)	(-)	(-)	(-)	-21.10	(-)	(-)
Receivables:								
KKR India Advisors Private Limited	-	-	-	-	30.69	-	-	-
	(-)	(-)	(-)	(-)	-16.51	(-)	(-)	(-)
KKR India Debt Opportunities Fund II	-	-	-	-	11.63	-	-	-
	(-)	(-)	(-)	(-)	-20.58	(-)	(-)	(-)

Notes :

1. Related parties have been identified by the management.
2. Figures in brackets pertain to those of the previous year.

Note 43 : Employee share-based plan:

Pursuant to the KKR Capital Markets India Private Limited Employee Share Incentive Plan (ESIP) introduced by the Company during the previous year, the Company has granted Restricted Share Units (RSUs), inter alia, to the eligible employees and/or directors (the employees) of the Company and / or its subsidiary KKR India Financial Services Limited (KIFSL). The particulars of RSUs granted to the employees are given below.

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6
No. of RSUs granted	24,46,690	2,49,888	2,46,725	77,168	2,51,512	5,13,372
Grant Date	April 1, 2017	January 1, 2018	July 1, 2018	January 1, 2019	April 1, 2019	October 1, 2019
Exercise price (Rs. Per share)	10	10	10	10	10	10
Fair Value on Grant Date	151.40	213.80	214.00	192.50	158.99	102.14
Method of accounting	Fair Value					
Graded Vesting	Tranches 1, 3 and 4: 33.33% of the Tranche 1 RSUs shall vest on each of the 3 anniversaries of the Date of Grant of the respective tranche. Tranche 2: 33.33% of the Tranche 2 RSUs shall vest after 1 year from the Date of Grant, 33.33% of the Tranche 2 RSUs shall vest after 1 year and 9 months from the Date of Grant and 33.33% of the Tranche 2 RSUs shall vest after 2 years and 9 months from the Date of Grant. Tranches 5: 82% of the Tranche 5 RSUs shall vest on each of the 3 anniversaries of the Date of Grant of the tranche. Balance RSUs shall vest on each of 2 anniversaries of the Date of Grant of the tranche. Tranches 6: 3.12% of the Tranche 6 RSUs shall vest after 6months from the Date of Grant, 31.68% of the Tranche 6 RSUs shall vest after 1 year from the Date of Grant, 32.6% of the Tranche 6 RSUs shall vest after 1 year and 6 months from the Date of Grant and 32.6% of the Tranche 2 RSUs shall vest after 2 years and 6 months from the Date of Grant					
Exercise period	The earlier of (A) the third anniversary of the applicable vesting date and (B) a Change of Control and/or KKR Change of Control as specied in the plan or an Initial Public Offering; (C) or such other event as may be notified by the Board in this regard; subject to continued employment on such settlement date.					

(a) The movement of the RSUs granted to the employees is as under:

Particulars	Particulars	
	As at March 31, 2021	As at March 31, 2020
Outstanding at the beginning of the year	19,38,607	17,22,000
Granted during the year	-	7,64,884
Exercised during the year	10,34,181	-
Lapsed/ forfeited during the year	5,67,630	5,48,277
Outstanding at the end of the year	3,36,796	19,38,607
Exercisable at the end of the year	1,29,520	9,02,967

(b) Fair Valuation:
The fair value of RSUs used to compute proforma net income and the earnings per equity share has been done by an independent firm of Chartered Accountants on the date of grant using Black-Scholes Model. The Key assumptions in Black-Scholes Model for calculating the fair value as on the date of grant are as follows:

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6
Risk-Free Rate	6.60%-6.70%	7.00%-7.10%	7.70%-7.75%	7.11%-7.17%	6.15%-6.28%	6.15%-6.28%
RSU Life (Years)	5.5-6.5	5.5-6.5	5.5-6.5	5.5-6.51	5.5-6.5	5.5-6.5
Expected Volatility	48.60%-48.10%	48.10%-47.90%	48.20%-48.00%	50.00%	50.00%	50.00%
Dividend Yield	-	-	-	-	-	-
The weighted-average fair value of the RSU on grant date	151.4	213.8	214.00	192.50	158.99	102.14

Note 44. Foreign currency exposure not hedged by derivative instruments

Particulars	As at March 31, 2021		As at March 31, 2020	
	USD in Million	Rs in Million	USD in Million	Rs in Million
Trade payable	0.32	23.36	0.34	26.70

Note 45: Contingent liabilities

(Rs. in Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Letters of comfort issued to bank, in respect of credit facilities availed by third parties	-	320.00
Income-tax demands disputed in appeals	182.43	428.98

Note:
The tax impact / demands relate to disallowances of certain expenses / non-granting of credit for tax dedusted at source, by the Assessing Officer, which are disputed in appeals. The Company is hopeful of succeeding in the said appeals.

Note 46 : Investment Management Fees

The Company has entered into Investment Management Agreements (IMAs) with certain Alternative Investment Funds (the Funds). The investment management fees for the year ended March 31, 2021, payable by the Funds to the Company are calculated in accordance with the terms and conditions of the IMAs and form a part of Investment management fees disclosed in Note 22.
During the year, certain processing fees/lender fees are earned by the Company in connection with the investment by the Funds, in the portfolio companies of the Funds. Consequently, the Company has agreed with the Funds to off-set the investment management fees for the year, against such processing fees/lender fees as specified below:

(Rs. in Million)

Processing fees/lender fees available for off-set brought forward	Processing fees/ lender fees earned by the Company in the current year available for off-set	Investment management fees for the year as per the IMA	Investment management fees for the year after off-set	Processing fees/lender fees available for off-set carried forward
-	-	37.97	37.97	-
-	(3.50)	(95.52)	(92.02)	-

Notes:
1. The amounts are excluding goods and services tax.
2. Figures in brackets pertain to those of previous year.

Note 47: Long-term contracts
The Company did not have any long term contracts including derivative contracts for which any provision is required for the foreseeable losses.

Note 48. Additional information as required under Schedule III of Companies Act, 2013

A. Entities included in consolidation

Name of the entity	Proportion of interest (in %)	
	As at March 31, 2021	As at March 31, 2020
KKR India Financial Services Limited (formerly known as KKR India Financial Services Private Limited)	100.00	100.00
(Subsidiary incorporated in India)		
Tranzmute LLP (Joint Venture incorporated in India)	45.45	50.00

B. Information in respect of the entity consolidated as a subsidiary and Joint Venture

Particulars	Net asset i.e. total asset minus total liabilites		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
	Rs. In Million	As % of consolidated net assets	Rs. In Million	As % of consolidated profit or loss	Rs. In Million	As % of consolidated OCI	Rs. In Million	As % of total comprehensive income
Parent								
KKR Capital Markets India Private Limited	11,767.41	79.78%	(1,584.27)	99.87%	0.02	1.18%	(1,584.25)	100.00%
Subsidiary								
KKR India Financial Services Limited (formerly known as KKR India Financial Services Limited	10,703.41	72.57%	(1,394.01)	87.88%	2.02	98.82%	(1,391.99)	87.86%
Joint Venture								
Tranzmute LLP*	18.90	0.13%	(2.80)	0.18%	-	0.00%	(2.80)	0.18%
Consolidation Difference	(7,739.69)	-52.47%	1,394.78	-87.93%	-	0.00%	1,394.78	-88.04%
TOTAL	14,750.03	100.00%	(1,586.30)	100.00%	2.04	100.00%	(1,584.26)	100.00%

* Tranzmute LLP is joint venture between KKR Capital Markets India Pvt Ltd and other partner's of the LLP. As per Clause 10.7 of the LLP agreement no loss shall be charged to any partner in excess of amount of contribution made or due to be made by the partner in the LLP in terms of LLP Agreement. KKR Capital Markets India Pvt Ltd has contributed Rs. 80.50 Million as on March 31, 2021 in the Partners Capital and Current Account and other partners have not made any contribution hence all loss for the FY 2020-21 and FY 2019-20 has been charged to KKR Capital Markets India Pvt Ltd current account in the LLP.

Note 49. Capital commitment/Other commitments

(Rs. in Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital commitments (Capital contracts entered in to by the Company pending completion)	1.42	2.05

Note 50. Estimation uncertainty relating to COVID-19 global health pandemic:

In assessing the recoverability of loans, receivables and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports upto the date of approval of these financial statements. Included in the allowance for expected credit loss is also the adjustment on account of macro-economic factors which involves significant judgement. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The ultimate outcome of the impact of the said global health pandemic may be materially different from that estimated as on the date of approval of these financial statements and will depend on future developments' which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. The Company will continue to closely monitor any material changes to future economic conditions.

Note 51. Reversal of interest on interest accrued during the period of Moratorium:

The Hon. Supreme Court of India vide its order dated March 23, 2021 requires the lenders to refund / adjust any interest on interest charged to the borrowers during the moratorium period. i.e. March 1, 2020 to August 31 2020.
In accordance with the RBI Circular No. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 and the methodology for calculation of interest on interest based on guidance issued by Indian Banks' Association, the Company has put in place a Board approved policy to refund / adjust interest on interest charged to borrowers during the aforesaid moratorium period. The Company has estimated the said amount to be at Rs. 17.63 Million and reversed the same by way of debit to interest income for the year. The Company is in the process of adjusting / refunding the said amounts to the respective borrowers.

Note 52. Social Security Code

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Note 53. Standards issued but not yet effective

On March 24, 2021, the Ministry of Corporate Affairs ('MCA') through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

Note 54. Merger

On September 9, 2020, the Board of Directors has approved the Composite Scheme of Arrangement and Amalgamation among Bee Finance Limited ('Transferor Company'), KKR Capital Markets India Private Limited ('Company' or 'Transferee Company'), InCred Financial Services Limited ('Demerged Company'), KKR India Financial Services Limited ('Resulting Company') and their respective shareholders under Sections 230 to 232, 66, 234 and other applicable provisions of the Companies Act, 2013 with effect from the appointed date April 1, 2022 ('Scheme') to be submitted to the National Company Law Tribunal and Reserve Bank of India for approval.

Note 55. Approval of financial statements

The consolidated financial statements for the year ended March 31, 2021 were authorised for issue by the Board of directors at its meeting held on September 22, 2021 .

Note 56: Prior period comparatives

Previous years figures have been regrouped and reclassified where necessary to conform to current year's presentation.

Signatures to Notes 1 to 56

In terms of our report attached
For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison
Digitally signed by Srividya Vaidison
Date: 2021.09.24 12:15:52 +05'30'

Srividya Vaidison
Partner
Membership No.: 207132

Place: Mumbai
Date: September 22, 2021

For KKR Capital Markets India Private Limited

Brian Wesley Dillard
Digitally signed by Brian Wesley Dillard
Date: 2021.09.23 20:50:57 +05'30'

Brian Wesley Dillard
Director
DIN 08626376

ANIL NAGU
Digitally signed by ANIL NAGU
Date: 2021.09.23 20:53:50 +05'30'

Anil Nagu
Director
DIN:00110529

BINOY K PARIKH
Digitally signed by BINOY K PARIKH

Binoy K. Parikh
Company Secretary

Place: Mumbai
Date: September 22, 2021