

KKR INDIA ASSET FINANCE LIMITED

KKR India Asset Finance Limited is an unlisted public limited company having a Certificate of Incorporation dated 30/06/1989 and incorporated with the Registrar of Companies, Chennai, Tamil Nadu. The Company obtained its certificate for commencement of Business from the Registrar of Companies, Tamil Nadu, Chennai on 30/06/1989. The Corporate Identification Number of the Company is U65191TN1989PLC017616 and PAN no is AAACM6305R. The Company is registered with the Reserve Bank of India as a non-banking financial company having registration no B.07.00565

Registered Office: Regus Citi Centre, Level 6, 10/11, Dr. Radhakrishna Salai, Chennai - 600004, Tamil Nadu, India

Tel: 022 43551300 Fax: 022 43551301

Corporate Office: 2nd Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai 400 013

Chief Financial Officer and Compliance Officer: Mr. Rakesh Bajaj, 2nd Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai 400 013

Tel: 022 43551300 Fax: 022 43551301 Email: rakesh.bajaj@kkcr.com

Company Secretary: Ms. Priya Telang, 2nd Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai 400 013

Tel: 022 43551300 Fax: 022 43551301 Email: priya.telang@consultant.kkr.com

Website: www.kkr.com/renbfc

PLACEMENT MEMORANDUM/DISCLOSURE DOCUMENT/DISCLOSURE

PLACEMENT MEMORANDUM / DISCLOSURE DOCUMENT / DISCLOSURE AGREEMENT FOR ISSUE BY WAY OF LISTED FULLY REDEEMABLE RATED SECURED NON- CONVERTIBLE DEBT IN THE NATURE OF DEBENTURES OF THE FACE VALUE OF RS. 10,00,000 (RUPEES TEN LAKHS) EACH WITH A BASE ISSUE SIZE OF UPTO RS. 75,00,00,000 (RUPEES SEVENTY FIVE CRORES) WITH AN OPTION TO RETAIN OVERSUBSCRIPTION OF UPTO RS. 75,00,00,000 (RUPEES SEVENTY FIVE CRORES) AGGREGATING UPTO RS. 150,00,00,000 (RUPEES ONE HUNDRED FIFTY CRORES ONLY) FOR A TENURE OF 10 YEARS.

PLACEMENT MEMORANDUM / DISCLOSURE DOCUMENT / DISCLOSURE AGREEMENT PREPARED IN CONFORMITY WITH THE SCHEDULE II OF SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2021/39 DATED AUGUST 9, 2021, AS AMENDED FROM TIME TO TIME COMPANIES ACT, 2013 READ WITH COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014.

GENERAL
<p>Investors are advised to read the section “Risk Factors” carefully before taking an investment decision in this offering. For taking an investment decision, the Investors must rely on their own examination of the Issuer and the offer/Issue including the risks involved. The offer/Issue being made on private placement basis, this Placement Memorandum/Disclosure Document has not been filed with the Securities & Exchange Board of India (SEBI). The Debentures have not been recommended or approved by SEBI or any other regulatory or quasi regulatory body or authority nor does SEBI or any other regulatory or quasi regulatory body or authority guarantee the accuracy or adequacy of this document. Specific attention of the Investors is invited to the summarized and detailed Risk Factors given on page number 24 under the section ‘General Risks’.</p> <p>Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained on page number 24 of this placement memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor’s decision to purchase such securities.</p>
ISSUER’S ABSOLUTE RESPONSIBILITY
<p>The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Placement Memorandum contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Placement Memorandum is true and correct in all material respects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading.</p>
CREDIT RATING
<p>The Debentures have been rated CRISIL AA/Stable by Crisil Limited (CRISIL) and AA/Stable by CARE Ratings Limited.</p> <p>The rating is not a recommendation to buy, sell or hold the Debentures and Investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning credit rating agency and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agency has the right to suspend, withdraw the rating at any time on the basis of new information etc. For details, please refer to paragraph on ‘Credit Rating’ mentioned elsewhere in this Placement Memorandum.</p>
PROMOTER
<p>Name: KKR India Asset Investment Pte. Ltd Address 8 Marina View #33-04 Asia Square Tower 1 Singapore (018960) Business Identification no 201331792D PAN no: AAFCK4266L</p>
LISTING
<p>The Debentures are proposed to be listed on the Wholesale Debt Market segment of the BSE Limited, which shall be the designated stock exchange for the Issue. The Issuer has obtained “in-principle” approval from BSE Limited and will apply for final listing within 4 trading days from the Deemed Date of Allotment for listing the Debentures offered through this Issue. The Issue would be under the electronic book mechanism for issuance of debt securities on private placement basis as per the SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and any amendments thereto (“SEBI Operational Circular”) read with the “Updated Operational Guidelines for issuance of Securities on Private Placement basis through an (“Electronic Book Mechanism”) issued by BSE vide their Notice no. 20180928-24 dated September 28, 2019 and any amendments thereto (“BSE EBP Guidelines”). The Company intends to use the BSE Bond – EBP platform for the Issue.</p>

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ISSUE SCHEDULE	
Issue Open Date: September 28, 2021 Issue Close Date: September 28, 2021 Pay-In Date: September 29, 2021 Deemed Date of Allotment: September 29, 2021	
ISSUER	
<div style="text-align: right;"></div> <p>KKR India Asset Finance Limited Registered Office: Regus Citi Centre, Level 6, 10/11, Dr. Radhakrishna Salai, Chennai - 600 004, Tamil Nadu, India Corporate office: 2nd Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai 400 013 Tel: 022 43551300, Email: kkrindia@kkr.com , Contact Person: Mr. Rakesh Bajaj</p>	
REGISTRAR TO THE ISSUE	
<div style="text-align: right;"></div> <p>KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) Registered Office: Selenium Building, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500032, India Mumbai office – 7TH floor, 701 Hallmark Business Plaza, Sant Dnyaneshwar Marg, Off Bandra Kurla Complex, Bandra East Mumbai - 400 051 Tel: +91 22 - 6149 1635 Email: tanveer.momin@kfintech.com, hanumantha.patri@kfintech.com Contact Person: Mr. Hanumantha Patri and Mr. Tanveer Momin</p>	
CREDIT RATING AGENCY	
<div style="text-align: right;"></div> <p>CRISIL Ratings Limited (A subsidiary of CRISIL Limited) Address: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400 076 Tel: +91-22-3342 3000 Website: www.crisil.com/ratings Email: crisilratingdesk@crisil.com Contact Person: Mr. Krishnan Sitaraman SEBI Registration Number: IN/CRA/001/1999</p>	
CREDIT RATING AGENCY	
<div style="text-align: right;"></div> <p>CARE Ratings Limited Registered Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Sion (East), Mumbai - 400 022 Tel: +91-022- 6837 4400 www.careratings.com Email: aditya.acharekar@careratings.com Contact Person: Mr. Aditya Acharekar</p>	

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STATUTORY AUDITOR



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 Registered Office: 3rd Floor, Mistry Bhavan, Dinshaw Vachha Road, Churchgate, Mumbai 400 020, India.
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 Email: manish@cnkindia.com
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LEGAL COUNSEL

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 Website: <https://jmp.law/>
 Telephone Number: +91-22-6287-2426
 Email: contact@jmp.law



COUPON AND REDEMPTION

Coupon Rate: 9.00 % per annum
 Coupon Payment Frequency: Annual
 Redemption Date: 29 September 2031
 Redemption Amount: An amount representing the outstanding principal amount of the Series B FY 21-22 Debentures being redeemed on Redemption Date.

ELIGIBLE INVESTORS

- Trust
- Limited Liability Partnerships
- Partnership Firm(s)
- Foreign Portfolio Investors, Alternative Investment Funds and Portfolio Managers registered with SEBI
- Association of Persons
- Companies and Bodies Corporate including Public Sector Undertakings
- Commercial Banks
- Regional Rural Banks
- Financial Institutions
- Insurance Companies
- Mutual Funds
- Any other investor eligible to invest in these Debentures
- All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue.

Detail pertaining to the uploading the placement memorandum on the electronic book provider platform

Please refer to Part C.



Private & Confidential For Private Circulation only
Addressed to: Darashaw & Co. Pvt. Ltd.
Series No.: Series B of FY 21-22 Debentures
Sr. No. 1

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Note: *This Placement Memorandum of private placement is neither a prospectus nor a statement in lieu of a prospectus. This is only an information brochure intended for private use and should not be construed to be a prospectus and/or an invitation to the public for subscription to Debentures under any law for the time being in force. The Company can, at its sole and absolute discretion change the terms of the offer. The Company reserves the right to close, recall, extend or modify the terms of the Issue at its absolute discretion at any time prior to Allotment.*

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DEFINITIONS AND ABBREVIATIONS

Company/Issuer	KKR India Asset Finance Limited, a company with its registered office at Regus Citi Centre, Level 6, 10/11, Dr. Radhakrishna Salai, Chennai - 600 004, Tamil Nadu, India
“we”, “us”, “our”	Unless the context otherwise requires, the Company.
Account	Bank account number 37260666220 of the Issuer opened and maintained with the Designated Bank.
Allotment Advice	An advice informing the allottee of the number of Debentures allotted in Electronic (dematerialised) Form.
Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to the Issue.
Amounts Due	On any date mean the Redemption Amounts and/or other monies which are due and payable in terms of the Debenture Documents to the Debenture Holders or the Debenture Trustee.
Application Form	The form in which an investor can apply for subscription to the Debentures.
Applicable Law	Any and all applicable provisions of any (a) constitution, treaties, statutes, laws, codes, rules, regulations, notifications, circulars, ordinances or orders of any Government Authority which have the force of law, (b) government approvals, and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Government Authority.
Security	A first ranking, pari passu, floating hypothecation charge on the loans and advances made by the Company and the cash balances, bank balances and receivables of the Company which are classified as standard assets in accordance with applicable regulations of the RBI (“ Hypothecated Assets ”), i.e. a first priority hypothecation on a floating charge basis to be shared pari passu with existing lenders and debenture holders (as applicable) as provided in the Deed of Hypothecation excluding any non- performing assets as categorized in accordance with the relevant guidelines issued by Reserve Bank of India from time to time with an asset cover of 1.25 times of the principal outstanding (“ Security Cover ”), and subject to Permitted Security Interest.
Articles	Articles of Association of the Company.
Board	Board of Directors of the Company or a Committee thereof.
Business Day	Shall mean a day other than Saturday and Sunday on which scheduled commercial banks in Mumbai are open for normal banking business.
CARE	CARE Ratings Limited
CDSL	Central Depository Services (India) Limited.
CRISIL	Crisil Limited.
Companies Act	Companies Act, 2013 to the extent notified and the Companies Act, 1956 to the extent not repealed and still in force, and as amended from time to time.
Companies Regulations	The Companies Act and Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended from time to time
Credit Rating Agency	CRISIL, CARE or any other rating agency approved by the RBI, appointed from time to time.

Debenture Documents	This Placement Memorandum, the Debenture Trustee Agreement, the Debenture Trust Deed and the Deed of Hypothecation.
Debenture Payments	shall mean all or any part of the following amounts payable by the Company to the Debenture Holders on such dates specified herein in accordance with and pursuant to the terms of this Agreement: (i) Redemption Amounts payable on the Redemption Dates; (ii) accelerated payment of Amounts Due upon occurrence of an Event of Default in accordance with the terms hereof; (iii) Any other payments required to be made pursuant to the terms of the Debenture Documents.
Debenture Payment Date	A date on which any payment becomes due and payable to the Debenture Holders in accordance with the terms of the Debenture Documents including but not limited to any Redemption Date.
Debenture Trustee	Trustee for the Debenture Holders, in this case for the time being CATALYST Trusteeship Ltd.
Debenture Trustee Agreement	The document titled ‘Debenture Trustee Agreement’ entered into/ to be entered into between the Issuer and the Debenture Trustee for the appointment of the Debenture Trustee.
Debenture Trust Deed	The document titled ‘Debenture Trust Deed’ to be executed between the Debenture Trustee and the Issuer for inter alia settling a trust and describing the powers of the Debenture Trustee, read with any amendments or supplements thereto.
Deemed Date of Allotment	September 29, 2021
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depository Participant/DP	A participant as defined under the Depositories Act, 1996, as amended from time to time.
Designated Bank	State Bank of India
Encumbered Assets	The assets forming a part of the security for the Debentures under the Debenture Documents, from time to time.
Encumbrance	Any encumbrance, mortgage, pledge, charge (whether fixed or floating), hypothecation, lien, deposit by way of security or security interest securing any obligation.
FII / Foreign Institutional Investor	Foreign Institutional Investor (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995) registered with SEBI.
Final Settlement Date	The date when all principal sums of the Debentures have been redeemed by the Issuer.

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Fiscal Quarter	In any fiscal year i.e., the accounting period commencing from April 1 st of each year till March 31 st of next year, any of the following three month periods of a fiscal year: (i) April 1 to June 30; (ii) July 1 to September 30; (iii) October 1 to December 31; (iv) January 1 to March 31.
Government Authority	In any jurisdiction where any Party carries on business or holds assets, any nation or government, any province, state or any other political subdivision thereof; any entity, authority or body exercising executive, legislative, judicial, taxing, regulatory or administrative functions.
Placement Memorandum/ Disclosure Document	This Offer Document / Placement Memorandum / Private Placement Offer cum application Letter / Offer Letter cum Application is issued in conformity with Companies Act 2013, Securities and Exchange Board Of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended time to time, Form PAS-4 prescribed under Section-42 and Rule-14(1) of Companies (Prospectus and allotment of Securities) Rules, 2014, the Companies (Share Capital and Debenture) Rules, 2014.
Investors / Debenture Holders	Persons who are specifically requested by the Issuer to subscribe to the Debentures in terms of the Debenture Documents and are accordingly allotted the Debentures and shall include the transferees of such Debentures.
IT Act	The Income Tax Act, 1961 as amended from time to time.
Interest Rate	Shall be as provided in the Term Sheet
Issue	Issue of Debentures on a private placement basis for with a base issue size of upto Rs. 75,00,00,000 (Rupees Seventy Five crores) with an option to retain oversubscription of upto Rs. 75,00,00,000 (Rupees Seventy Five Crores), together aggregating upto Rs. 150,00,00,000 (Rupees One Hundred Fifty Crores only)
Majority Debenture Holders	The Debenture Holders holding an aggregate amount representing not less than 75% (seventy five percent) of the value of the aggregate principal amount of all of the Debentures outstanding for the time being.
Memorandum / MoA	Memorandum of Association of the Company.
NBFC	'Non-Banking Financial Company' as defined under the Reserve Bank of India Act, 1934
NEFT	National Electronic Fund Transfer system, a nation-wide payment system facilitating one-to-one funds transfer.
NSDL	The National Securities Depository Limited.

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Permitted Security Interest	“ Permitted Security Interest ” shall mean (i) the Encumbrance created/ to be created in favour of the Debenture Trustee (for the beneficial interest of the Debenture Holders) pursuant to or under the Debenture Documents; (ii) any Encumbrance created over any rights, titles, interests, assets or properties of the Issuer including any loans, receivables, interest accrued on such loans, investments etc., provided that in case any Security Interest is created over the Encumbered Assets, the Company shall ensure that a security cover of at least ‘Security Cover’ is maintained and available and no Event of Default is continuing as on such date of creation of Security Interest.
Person	An individual, natural person, corporation, partnership, joint venture, incorporated or unincorporated body or association, company, government or subdivision thereof.
Principal Amount	On any particular date, as the subject or context may require, the principal amount of the outstanding Debentures as on such date.
RBI	The Reserve Bank of India.
Record Date	The Record Date shall be 7 Calendar days prior to each coupon payment date / redemption date.
Redemption Amount	shall mean on the Redemption Date, in respect of Debentures being redeemed, the outstanding principal amount of the Debentures being redeemed on such Redemption Date together with the accrued Interest thereon
Redemption Date	As per the Term Sheet
Registrar to the Issue	Registrar to the Issue, in this case for the time being KFin Technologies Private Limited
ROC/Registrar of Companies	The Registrar of Companies, Tamil Nadu, Chennai.
Rs./Rupees/INR	Indian Rupees.
RTGS	Real Time Gross Settlement, an electronic funds transfer facility provided by RBI.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Defaults (Procedure) Circular	Means the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020 on "Standardization of procedure to be followed by Debenture Trustee(s) in case of ‘Default’ by Issuers of listed debt securities" issued by SEBI.
SEBI Due Diligence Circular	Means the SEBI circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 on "Creation of Security in issuance of listed debt securities and ‘due diligence’ by debenture trustee(s)".
Security Cover	1.25 times
Term Sheet	Means the term sheet issued for the Debentures

DISCLAIMER

This Placement Memorandum is neither a Prospectus nor a Statement in lieu of a Prospectus under the Companies Act and has been prepared in accordance with the Companies Regulations. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the Debentures to the public in general or a section thereof.

This Placement Memorandum has been prepared to provide general information about the Issuer to potential investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Placement Memorandum does not purport to contain all the information that any potential investor may require. Neither this Placement Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Placement Memorandum should not consider such receipt a recommendation to purchase any Debentures. Each investor contemplating purchasing any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Placement Memorandum (including the documents incorporated by reference herein, if any) contains all information that is material in the context of the Issue of the Debentures, is accurate in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading. No Person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Placement Memorandum or in any material made available by the Issuer to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer.

This Placement Memorandum and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly and specifically through a communication by the Company and only such recipients are eligible to apply for the Debentures. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Placement Memorandum are intended to be used only by those investors to whom it is addressed and distributed. It is not intended for distribution to any other Person and should not be copied, reproduced, distributed or disclosed (in whole or in part) by the recipient to any other Person nor should any other Person act on it.

No invitation is being made to any Persons other than those to whom Application Forms along with this Placement Memorandum being issued have been sent by or on behalf of the Issuer. Any application by a Person to whom the Placement Memorandum has not been sent by or on behalf of the Issuer will be rejected without assigning any reason.

The Person who is in receipt of this Placement Memorandum should maintain utmost confidentiality regarding the contents of this Placement Memorandum and should not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents.

The details of litigations or proceedings disclosed in this Placement Memorandum, if any, are based on the information provided to us by the relevant promoters and promoters' group entities in relation to respective litigations and proceedings pending against them and we have not independently verified or confirmed, and shall not be deemed to have independently verified or confirmed by reason of disclosure in this Placement Memorandum, the accuracy or correctness of such information details.

Each Person receiving this Placement Memorandum acknowledges that:

Such Person has been afforded an opportunity to request and to review and has received all additional information considered by it to be necessary to verify the accuracy of or to supplement the information herein; and

Such Person has not relied on any intermediary that may be associated with issuance of Debentures in connection with its investigation of the accuracy of such information or its investment decision.

Neither the Issuer, nor its affiliates or promoters undertake to update the Placement Memorandum to reflect subsequent events after the date of circulation of the Placement Memorandum, and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Placement Memorandum nor the Issue of Debentures made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Placement Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any Person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Placement Memorandum in any jurisdiction where such action is required. The distribution of this Placement Memorandum and the offering of the Debentures may be restricted by law in certain jurisdictions. Persons into whose possession this Placement Memorandum comes are required to inform themselves about and to observe any such restrictions. The Placement Memorandum is made available to investors relating to the Issue on the strict understanding that the contents hereof are strictly confidential.

The transferee of the Debentures shall be deemed to have read and understood the terms and conditions of the Debentures as is available with the Debenture Trustee.

This Placement Memorandum has not and will not be filed with SEBI. The Debentures have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this document. It is to be distinctly understood that this document should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this document. The issue of Debentures being made on private placement basis, filing of this document is not required with SEBI.

The eligible bidders, while placing their bids with the Electronic Book Provider, shall ensure cooperation with the Issuer in limiting the number of investors on whose behalf it is bidding for the Issue. Such eligible bidder shall ensure that information pertaining to the Issue is shared with only such number of investors as has been permitted/ assigned by the Issuer for the Issue (Permitted Limit). The eligible bidder shall be solely responsible for exceeding the Permitted Limit while sharing the information pertaining to the Issue, and consequences that ensue as a result.

Disclaimer of the Reserve Bank of India

The Debentures have not been recommended or approved by the RBI nor does RBI guarantee the accuracy or adequacy of this document. It is to be distinctly understood that this document should not, in any way, be deemed or construed that the Debentures have been recommended for investment by the RBI. RBI does not take any responsibility either for the financial soundness of the Issuer, or the Debentures being issued by the Issuer or for the correctness of the statements made or opinions expressed in this document. Potential investors may make investment decision in the Debentures offered

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in terms of this Placement Memorandum solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/repayment of such investment.

RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for discharge of liability by the Company.

DISCLAIMER OF THE STOCK EXCHANGE

AS REQUIRED, A COPY OF THIS PLACEMENT MEMORANDUM HAS BEEN FILED WITH THE BSE LIMITED (“BSE”) PURSUANT TO THE SEBI NON-COVERTIBLE SECURITIES REGULATIONS. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS PLACEMENT MEMORANDUM TO THE BSE OR HOSTING THE SAME ON ITS WEBSITE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THIS PLACEMENT MEMORANDUM HAS BEEN REVIEWED, CLEARED OR APPROVED BY BSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS PLACEMENT MEMORANDUM, OR THAT THE DEBENTURES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON BSE. BSE DOES NOT TAKE ANY RESPONSIBILITY FOR THE SOUNDNESS OF THE FINANCIAL AND OTHER CONDITIONS OF THE ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THE ISSUER. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY DEBENTURES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST BSE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.

DISCLAIMER CLAUSE OF THE COMPANY

The Issuer has certified that the disclosures made in this Placement Memorandum are adequate and in conformity with SEBI guidelines and RBI Guidelines in force for the time being. This requirement is to facilitate investors to take an informed decision for making an investment in the proposed Issue. The Company accepts no responsibility for statements made otherwise than in the Placement Memorandum or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at their own risk. Neither is there any provision in law to keep, nor does the Company keep any part of the deposits with the RBI and by issuing the Certificate of Registration to the Company, the Reserve Bank neither accepts any responsibility nor guarantee for the payment of the deposit amount to any depositor.

While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of the Placement Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

The Issuer hereby undertake that the Issuer will utilize the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from stock exchanges.

DISCLAIMER IN RESPECT OF JURISDICTION

Issue of these Debentures have been/will be made in India to investors as specified under clause “**Who Can Apply**” in this Placement Memorandum, who have been/shall be specifically approached by the Company. This Placement Memorandum is not to be construed or constituted as an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. The Debentures are governed by and shall be construed in accordance with the existing

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Indian laws as applicable in the state of Maharashtra. Any dispute arising in respect thereof will be subject to the exclusive jurisdiction of the courts and tribunals of Mumbai.

DISCLAIMER IN RESPECT OF CREDIT RATING AGENCY

Ratings are statements of opinion as of the date they are expressed in relation to the scenarios provided by the client concerned and based on the information or assumptions provided to CRISIL by its client and otherwise available to CRISIL from sources it considers reliable. The Ratings are not statements of fact or any assurance of a future and specific credit rating or recommendations to make any investment decisions. Any opinions expressed in the Report are in good faith and are not a validation of any proposition. The Report does not constitute an audit of the entity to which it pertains. The Report (including the Rating) is neither solicitation of any kind nor an investment advice or an offer to invest or divest from or issue any securities, instruments, facilities, fund, scheme or otherwise enter into any deal or transaction based on the Report. The Report does not comment on the market price or suitability for a particular investor. Opinions and Rating contained in the Report are not substitutes for the skill, judgment and experience of the user. The user of the Report should rely on their own judgment and take their own professional advice before acting on the Report in any way. Neither CRISIL nor its affiliates, third party providers, as well as their directors, officers, shareholders, employees or agents (each a “CRISIL Party” and collectively, “CRISIL Parties”) guarantee the accuracy, completeness or adequacy of the Report or the information, and no CRISIL Party shall have any liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the Report. EACH CRISIL PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall any CRISIL Party be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Report or any part thereof even if advised of the possibility of such damages.

CARE’s ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE’s rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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Forward-looking statements

We may have included statements in this Placement Memorandum, that contain words or phrases such as “will”, “would”, “aim”, “aimed”, “will likely result”, “is likely”, “are likely”, “believe”, “expect”, “expected to”, “will continue”, “will achieve”, “anticipate”, “estimate”, “estimating”, “intend”, “plan”, “contemplate”, “seek to”, “seeking to”, “trying to”, “target”, “propose to”, “future”, “objective”, “goal”, “project”, “should”, “can”, “could”, “may”, “will pursue” and similar expressions or variations of such expressions, that may constitute “forward-looking statements”. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results, opportunities and growth potential to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to:

- General economic and business conditions in India and other countries (including where we have a presence);
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Our ability to manage the increased complexity of the risks that Company faces following its rapid growth;
- Changes in the value of the Rupee and other currency changes;
- Changes in Indian or international interest rates, credit spreads and equity market prices;
- Changes in laws and regulations that apply to banks in India and in other countries where we are carrying on business;
- Changes in political conditions in India and in other countries where we are carrying on business; and
- Changes in the foreign exchange control regulations in India and in other jurisdictions where we are carrying on business.

The Company undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof. In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this Placement Memorandum Document include, but are not limited to general economic and political conditions in India and the other countries which have an impact on the Company's business activities or investments, political or financial instability in India or any other country caused by any factor including any terrorist attacks in India or elsewhere or any other acts of terrorism world-wide, any anti-terrorist or other attacks by India, the monetary and interest rate policies of India, political or financial instability in India or any other country or social unrest in any part of India, inflation, deflation, unanticipated turbulence in interest rates, changes in the value of the Rupee, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets and level of internet penetration in India and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environment in India and regional or general changes in asset valuations. For a further discussion on the factors that could cause actual results to differ, see the discussion under “Risk Factors” contained in this Placement Memorandum.



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Addressed to: Darashaw & Co. Pvt. Ltd.

Series No.: Series B of FY 21-22 Debentures

Sr. No. 1

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CONFIDENTIALITY

THE INFORMATION AND DATA CONTAINED HEREIN IS SUBMITTED TO EACH RECIPIENT OF THIS PLACEMENT MEMORANDUM ON A STRICTLY PRIVATE AND CONFIDENTIAL BASIS. BY ACCEPTING A COPY OF THIS PLACEMENT MEMORANDUM, EACH RECIPIENT AGREES THAT NEITHER IT NOR ANY OF ITS EMPLOYEES OR ADVISORS WILL USE THE INFORMATION CONTAINED HEREIN FOR ANY PURPOSE OTHER THAN EVALUATING THE SPECIFIC TRANSACTION DESCRIBED HEREIN OR WILL DIVULGE TO ANY OTHER PARTY ANY SUCH INFORMATION. THIS PLACEMENT MEMORANDUM MUST NOT BE PHOTOCOPIED, REPRODUCED, EXTRACTED OR DISTRIBUTED IN FULL OR IN PART TO ANY PERSON OTHER THAN THE RECIPIENT WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER.



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Series No.: Series B of FY 21-22 Debentures
Sr. No. 1

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LIMITS ON DISTRIBUTION

THE DISTRIBUTION OF THE PLACEMENT MEMORANDUM IN CERTAIN JURISDICTIONS MAY BE PROHIBITED BY LAW. RECIPIENTS ARE REQUIRED TO OBSERVE SUCH RESTRICTIONS AND THE COMPANY OR ITS RESPECTIVE AFFILIATES ACCEPT NO LIABILITY TO ANY PERSON IN RELATION TO THE DISTRIBUTION OF INFORMATION IN ANY JURISDICTION.

PART A - FORM PAS-4

Pursuant to section 42 and rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014

THIS PLACEMENT MEMORANDUM OF PRIVATE PLACEMENT IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF A PROSPECTUS. THIS IS ONLY AN INFORMATION BROCHURE INTENDED FOR PRIVATE USE AND SHOULD NOT BE CONSTRUED TO BE A PROSPECTUS AND/OR AN INVITATION TO THE PUBLIC FOR SUBSCRIPTION TO DEBENTURES UNDER ANY LAW FOR THE TIME BEING IN FORCE. THE COMPANY CAN AT ITS SOLE AND ABSOLUTE DISCRETION CHANGE THE TERMS OF THE OFFER. THE COMPANY RESERVES THE RIGHT TO CLOSE, RECALL, EXTEND OR MODIFY THE TERMS OF THE ISSUE AT ITS ABSOLUTE DISCRETION AT ANY TIME PRIOR TO ALLOTMENT.

2. GENERAL INFORMATION

NAME & ADDRESS OF THE REGISTERED OFFICE AND CORPORATE OFFICE OF THE ISSUER

Name of the Issuer	KKR India Asset Finance Limited
Registered Office & Corporate Office	<u>Registered Office:</u> Regus Citi Centre, Level 6, 10/11, Dr. Radhakrishna Salai, Chennai - 600 004, Tamil Nadu, India <u>Corporate Office:</u> 2 nd Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai 400 013
Website	www.kkr.com/renbfc
Email	kkrindia@kkr.com
Date of Incorporation	30/06/1989
Company Registration No.	U65191TN1989PLC017616

COMPLIANCE OFFICER

Mr. Rakesh Bajaj

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: rakesh.bajaj@kkr.com

CHIEF FINANCIAL OFFICER:

Mr. Rakesh Bajaj

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

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COMPANY SECRETARY

Ms. Priya Telang,

2nd Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg,
Lower Parel (W), Mumbai 400 013

DEBENTURE TRUSTEE OF THE ISSUE

Catalyst Trusteeship Limited, GDA House, Plot No. 85, Bhusari Colony,

Paud Road, Pune – 411038, India

Email: umesh.salvi@ctltrustee.com

Tel No.: 022-49220555

Fax No.: 022-49220505

The Debenture Trustee for the Debentures being issued under this Issue is Catalyst Trusteeship Limited which has given its consent for its appointment as Debenture Trustee to the Issue and inclusion of its name in the form and context in which it appears in this Placement Memorandum vide its letter dated 17 September 2021 issued to the Issuer by the Debenture Trustee and such consent has not been withdrawn as of the time of filing this Placement Memorandum with the BSE Limited. Such declaration will be mentioned in all subsequent periodical communications sent to the Debenture Holders. The copy of the consent letter from Catalyst Trusteeship Limited to act as Trustee for and on behalf of the holders of Debentures is annexed as Annexure I (Consent Letter from Debenture Trustee).

Electronic Book Provider for the issue is BSE Limited

BRIEF SUMMARY OF THE BUSINESS ACTIVITIES OF THE ISSUER AND ITS LINES OF BUSINESS AND ITS SUBSIDIARIES WITH THE DETAILS OF BRANCHES OR UNITS, IF ANY

The Company was incorporated as a private limited company on June 30, 1989 under the provisions of the Companies Act, 1956. The Company was converted to a public limited company effective May 16, 2019. The Company is registered with the Reserve Bank of India as a systemically important non deposit accepting or holding non-banking financial company.

The Company provides credit solutions to under-development and near-complete real estate projects, primarily in the residential space. The platform also evaluates early stage development projects where key considerations include partner quality and project location. The focus is primarily on mid-market residential projects, with selective commercial project lending. The Company does not have any branches and operates from its corporate office. The Company has one subsidiary company i.e. KKR India Asset Manager Private Limited.

KEY FINANCIAL PARAMETERS

Parameters	FY 2020-21	FY 2019-20	FY 2018-19
Balance Sheet			
Net Fixed assets	63.07	80.19	17.07
Current assets	13,633.18	6,212.23	5,778.25
Non-current assets	29,349.00	35,845.80	34,469.07
Total assets	43,045.25	42,138.22	40,264.39
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings)			
Financial (borrowings, trade payables, and other financial liabilities)	14,874.41	16,575.90	17,368.53
Provisions	19.71	13.73	7.91
Deferred tax liabilities (net)	-	-	47.67
Other non-current liabilities	-	-	-
Current Liabilities (including maturities of long-term borrowings)			
Financial (borrowings, trade payables, and other financial liabilities)	6,884.26	4,733.50	2,504.64
Provisions	-	-	-
Current tax liabilities (net)	-	-	-
Other current liabilities	-	-	-
Equity (equity and other equity)	21,266.87	20,815.09	20,335.64
Total Equity and Liabilities	43,045.25	42,138.22	40,264.39
Profit and Loss			
Total revenue	4,693.90	4,928.24	4,459.14
From operations	4,683.78	4,926.27	4,459.14
Other income	10.12	1.97	0
Total Expenses	4,076.05	4,296.00	2,133.85
Total comprehensive income Profit / (loss)	451.78	479.45	1639.67
Other comprehensive income	(0.32)	(0.45)	(0.48)
Profit / loss after tax	452.1	479.9	1,640.15
Earnings per equity share:			
(a) basic; and	14.92	15.83	54.11
(b) diluted	14.92	15.83	54.11
Continuing operations	14.92	15.83	54.11
Discontinued operations	-	-	-
Total Continuing and discontinued operations	14.92	15.83	54.11
Cash Flow			
Net cash generated from operating activities	5,820.88	-2,377.77	-11,670.73
Net cash used in / generated from investing activities	(9.50)	(23.79)	(19.38)
Net cash used in financing activities	414.61	1352.08	14081.76
Cash and cash equivalents	1,676.44	2,725.92	334.27
Balance as per statement of cash flows	7,902.43	1,676.44	2,725.92

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Parameters	FY 2020-21	FY 2019-20	FY 2018-19
Additional information			
Net worth	21,266.87	20,815.09	20,335.64
Cash and Cash Equivalents	7,902.43	1,676.44	2,725.92
Current Investments	-	-	-
Assets Under Management	34,228.70	39,706.10	37,348.40
Off Balance Sheet Assets	-	-	-
Total Debts to Total assets	0.51	0.50	0.49
Debt Service Coverage Ratios	0.29	0.41	0.96
Interest Income	4,682.80	4,920.80	3,965.90
Interest Expense	1,881.20	2,074.00	1,080.20
Interest service coverage ratio	1.33	1.30	3.15
Provisioning & Write-offs	1,590.70	1,709.70	666.40
Bad debts to Account receivable ratio	1.32%	0.00%	1.62%
Gross NPA (%)	6.78%	-	-
Net NPA (%)	4.49%	-	-
Tier I Capital Adequacy Ratio (%)	55.22%	46.17%	44.84%
Tier II Capital Adequacy Ratio (%)	1.39%	0.61%	0.32%

Debt Equity Ratio



Before this issue	1.01
After this issue	1.04

BRIEF PARTICULARS OF THE MANAGEMENT OF THE COMPANY

Corporate Structure

KKR India Asset Investment Pte. Ltd holds 89.77 % of the shareholding of the Company and balance 10.23% is held by NRJN Family Trust (Through its Trustee, Entrust Family Office Trusteeship Services Private Limited)

Names, addresses and DIN of the directors – Board of Directors as on date of this Placement Memorandum

Sr. No.	Name	Designation	DIN	Age	Direct or sinc	Details of other Directorsh	Address	PAN No	Photograph
1.	Yeshwant Ramchandra Nadkarni	Executive Director, Chief Executive Officer and Key Managerial Personnel	02782082	47	May 4, 2018	1 KKR India Asset Manager Private Limited	2904, Indiabulls Sky, Plot No. 882, Senapati Bapat Marg Jupiter Mill Compound, Delisle Road, Elphinstone Mumbai – 400013	AALPN3967E	
2.	Anita Arjundas	Independent Director	00243215	53	July 20, 2020	None	3/403, 10th Street, Venkateswara Nagar, Kottivakkam, Chennai 600041	AABPA8684F	

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Sr. No.	Name	Designation	DIN	Age	Direct or sinc	Details of other Directorsh	Address	PAN No	Photograph
3.	Karthik Krishna	Independent Director	06993503	44	March 24, 2020	i.Tele connectors Limited ii.KKR India Financial Services Limited iii.Door Sabha Nigam Limited iv.KKR Capital Markets India Private Limited v.C3ware Private Limited vi.C3ware Multicall Technologies Private Limited vii.Lex Carta Private Limited	95/58, Sathya Dev Avenue, MRC Nagar, Opp Somerset , Raja Annamalaiapuram, Chennai 600028.	AME PK87 22F	
4.	Rakesh Bajaj	Whole Time Director, Chief Financial Officer and Key Managerial	08957166	49	April 1, 2021	KKR Capstone India Operations Advisory Private Limited, KKR India Asset Manager Private Limited	2001, Estonia A, Hiranandani Heritage , S. V. Road, Kandivoli West, Mumbai - 400067	AAC PB3 978L	

Note: None of the Directors of the Company appear either in the RBI defaulter list or in the Export Credit Guarantee Corporation default list.

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Details of occupation of the Directors

S. No.	Name of the Director	Occupation
1	Yeshwant Ramchandra Nadkarni	Service
2	Anita Arjundas	Professional
3	Karthik Krishna	Service
4	Rakesh Bajaj	Service

Details of changes in Directors in the last three years

Sr. No.	Name	Designation	DIN	Date of appointment / resignation		Director of the Company since (in case of resignation)	Remarks
				Appointment/ Nomination	Resignation		
1	Naozad Kaikobad Sirwalla	Non-Executive Director	02056625	NA	28/06/2019	02/12/2013	NA
2	Deepak Punjabi	Non-Executive Director	08032712	NA	24/03/2020	23/02/2018	NA
3	Yeshwant Ramchandra Nadkarni	Executive Director	02782082	14/05/2018	NA	NA	NA
4	Jigar Shah	Non-Executive Director	08496153	28/06/2019	07/04/2021	NA	NA
5	Ms. Diane Raposio	Non-Executive Director	07522686	28/02/2020	11/09/2020	22/09/2017	Redesignated as Non-Executive Director from Independent Director on 28/02/2020 and resigned from Board on 11/09/2020
6	Mr. Bryan Southergill	Independent Director	02247724	NA	28/02/2020	02/12/2013	NA
7	Mr. Karthik Krishna	Independent Director	06993503	24/03/2020	NA	NA	NA
8	Ms. Anita Arjundas	Independent Director	00243215	20/07/2020	NA	NA	NA

Sr. No.	Name	Designation	DIN	Date of appointment / resignation		Director of the Company since (in case of resignation)	Remarks
				Appointment/ Nomination	Resignation		
9	Ms. Simrata Gujral	Non-Executive Director	08744372	14/09/2020	17/09/2021	NA	NA
10	Mr. Rakesh Bajaj	Whole Time Director, Chief Financial Officer and Key Managerial Personnel	08957166	01/04/2021	NA	NA	NA

Details of Auditor

Name	Address	Auditor of the Issuer since
Name: CNK & Associates LLP. Firm registration no.: 101961W/W100036	3rd Floor, Mistry Bhavan, Dinshaw Vachha Road, Churchgate, Mumbai 400 020	Financial Year 2021-22

Details of changes in auditors in the last three years

Name	Address	Period of Appointment
Name: Deloitte Haskins & Sell LLP Firm registration no.: 117366W/W-100018	32nd Floor, Tower 3, India Bulls Finance Centre Senapati Bapat Marg, Elphinstone (West) Mumbai – 400 013	From FY 2012-13 to FY 2020-21

DETAILS OF MANAGEMENT OF THE COMPANY

1. YESHWANT NADKARNI

Yeshwant Nadkarni is Executive Director Chief Executive Officer and Key Managerial Personnel of the Company. Mr. Nadkarni's real estate experience spans over 20 years across the Asia-Pacific region. Prior to joining KKR, he worked in J.P. Morgan's principal investing group, the firm's balance sheet investing platform, where his last role was to oversee the group's Asia-Pacific (ex- China) real estate investing business. He holds a Masters in Finance degree from London Business School and a Bachelor of Engineering degree from India.

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2 ANEESH SIVAKUMAR

Aneesh Sivakumar joined KKR in 2015 and is a Director in KKR's India Real Estate Investment Platform. Prior to joining KKR, he was a Vice President in the real estate fund of Kotak Investment Advisors Limited. He holds an M.B.A from Indian Institute of Management, Bangalore and is a C.F.A charter holder.

3 SHASHIDHAR REDDY

Shashidhar Reddy joined KKR in 2016 and is a Director in the KKR India Real Estate Platform. Prior to joining KKR, he was a Vice President in the real estate fund of Kotak Investment Advisors Limited. Prior to Kotak, he has worked with TCG Real Estate and Roulac Global Places. He holds an M.B.A from Indian Institute of Management, Calcutta and a dual degree in Civil Engineering from Indian Institute of Technology, Kharagpur.

4 ANKUR GUPTA

Ankur Gupta joined KKR in 2018. Prior to joining KKR, Ankur worked with ICICI Prudential AMC Limited where he was a Principal. Prior to ICICI Prudential, he has worked with JP Morgan, SUN-Apollo and The Carlyle Group. He has spent over 12 years in real estate investments and corporate finance. He holds an M.B.A from Indian Institute of Management, Calcutta

5 KARAN BHUTANI

Karan Bhutani joined KKR in 2016 and is a Principal in the KKR India Real Estate Platform. Prior to joining KKR, he worked with Rising Straits Capital, where he was a Vice President. Prior to Rising Straits, he has worked with Red Fort Capital in India and Laing O'Rourke in Australia. He was responsible for commercial and contracts management of large scale development projects in Dubai, UAE and Brisbane, Australia. He was an integral part of the construction management team that was responsible for developing multiple hotel and mixed use development projects. He holds an M.B.A from INSEAD.

6 RAKESH BAJAJ

Mr. Rakesh Bajaj is Whole Time Director, Chief Financial Officer and Key Managerial Personnel of the Company. Mr. Bajaj has worked with Community Finance Private Limited, Citigroup, Shell Lubricants and PwC and has over 25 years of rich experience in the Financial Services and Manufacturing sectors covering finance, audit, and regulatory compliance. He is Chartered Accountant, Company Secretary and a Cost & Works Accountant.

7 Ruchita Maniar

Ruchita Maniar joined KKR 2019. Prior to joining KKR, Ms. Maniar worked with Edelweiss in their balance sheet investing platform and looked after Investments in Western India. She has spent about 14 years with various real estate platforms across diverse strategies including opportunistic equity, private credit and core. She holds an M.B.A from Narsee Monjee Institute of Management Studies, Mumbai.

8 Conrad Vincent

Conrad Vincent joined KKR in August 2021 and is the Chief Risk Officer of KKR India's Real Estate team. Prior to joining KKR, he has spent over 15 years at JM Financial Credit Solutions as the Chief Risk Officer of their real estate lending business. He has worked at Morgan Stanley, at ICRA (the Indian Associate of Moody's Investors Services), Winterthur / Churchill India Limited (Part of the Credit Suisse Group) and Larsen & Tourbo Ltd. (India's largest EPC company). He has

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over 25 years of rich experience. In the last ten years he has been involved in lending transactions to more than 100 Indian real estate groups spread across seven cities.

Conrad holds a Master of Science in Mechanical Engineering from Clemson University and a Bachelor of Technology from the Indian Institute of Technology Madras. He is a Chartered Financial Analyst from the Institute of Chartered Financial Analysts of India.

DETAIL OF PROMOTER COMPANY:

Name: KKR India Asset Investment Pte. Ltd

Address: 8 Marina View #33-04 Asia Square Tower 1 Singapore (018960)

Business Identification no: 201331792D

Brief on Business activity: The Promoter company is in the business of investing directly or indirectly in the securities issued by one or more entities that have been established to invest directly or indirectly in loans, debt instruments, convertible debt instruments or other forms of debt, including debentures, bonds or any other form of public and private debt and other securities, of listed and unlisted companies that are incorporated in India and that derive a material portion of their revenue from the holding of real estate assets and/or the development and subsequent sale or exploitation of real estate assets.

PAN no: AAFCK4266L

RISK FACTORS

Every business carries inherent risks and uncertainties that can affect financial conditions, results of operations and prospects. Investors should carefully consider all the information in this Placement Memorandum, including the risks and uncertainties described below, as well as the financial statements contained in this Placement Memorandum, before making an investment in the Debentures. The Company believes that the following risk factors may affect its ability to fulfil its obligations under the Debentures issued under the Debenture Documents. All of these factors are contingencies which may or may not occur and the Company is not in a position to express a view on the likelihood of any such contingency occurring.

The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to the Company or that the Company currently believes to be immaterial may also have an adverse effect on its business, prospects, results of operations and financial condition. If any of the following or any other risks actually occur, the Company's business, prospects, results of operations and financial condition could be adversely affected and the price and value of your investment in the Debentures could decline such that you may lose all or part of your investment. The labeling of the Debentures as different series under the Placement Memorandum does not in any manner indicate either the quality of the Debentures or their future prospects. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where such implications are not quantifiable and hence any quantification of the underlying risks has not been disclosed in such risk factors. You should not invest in the Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your own tax, financial and legal advisors about the particular consequences of an investment in the Debentures. Unless otherwise stated, our financial information used in this section is derived from our audited unconsolidated financial information, prepared in accordance with accounting standards generally accepted in India.

RISKS RELATING TO THE ISSUE AND COMPANY

The following are some of the risks envisaged by the Issuer's management. Investors should consider the same carefully for evaluating the Issuer and its business before making any investment decision. Unless the context requires otherwise, the risk factors described below apply to the Issuer only. If any one of the risks occurs, the Company's business, financial conditions and results of operations could suffer and therefore, the value of the Issuer's securities could decline.

The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures issued under this Placement Memorandum, but the inability of the Issuer, as the case may be, to pay necessary amounts, on or in connection with any Debentures may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Debentures are exhaustive. Investors should also read the detailed information set out elsewhere in this Placement Memorandum and reach their own views prior to making any investment decision.

1. Increasing competitive environment for business

The successful implementation of the Company's growth plans depends on its ability to face the competition. The main competitors of the Company are NBFCs, financial institutions and banks, alternate investment funds, private wealth management, offshore investors. The Company, being a non-deposit taking NBFC, does not have access to low cost deposits. Many of its competitors may have significantly greater financial, technical, marketing and other resources. Many of them also offer a wider range of services and financial products than the Company does and have greater brand recognition and a larger client base.

2. Credit Risk of borrowers

Any lending and investment activity by the Company is exposed to credit risk arising from interest / repayment default by borrowers and other counterparties. As an NBFC, the Company has lent money for various maturities and with varying security to a variety of clients. The Company is exposed to the risk of such third parties which owe money, securities or other assets not performing their obligations due to various reasons.

The Company has a systematic credit evaluation process and monitors its asset portfolio on a regular basis to detect any material development, and constantly evaluate the changes and developments in sectors in which it has substantial exposure. Despite these efforts, there can be no assurance that repayment default will not occur and/or there will be no adverse effect on the Company's financial results and/or operations as a result thereof.

In performing its credit assessment, the Company relies primarily on information furnished by or on behalf of its borrowers, including financial information, based on which the Company performs its credit assessment. The Company may also depend on certain representations and undertakings as to the accuracy, correctness and completeness of information, and the verification of the same by agencies to which such functions are outsourced. Any such information if materially misleading may increase the risk of default and could adversely impact the financial condition, financial results and/or operations of the Company.

3. Collateral & Security Risk

A substantial portion of the Company's gross loan portfolio is secured by assets, moveable and immovable. The value of the security/collateral granted in favour of the Company, as the case may be, may decline due to adverse market and economic conditions (both global and domestic), delays in insolvency, winding up and foreclosure proceedings, defects in title, difficulty in locating moveable assets, inadequate documentation in respect of assets secured and the necessity of obtaining regulatory approvals or judicial orders for the enforcement of the Company's security over the assets comprising its security and the Company may not be able to recover the estimated value of the assets, thus exposing it to potential losses.

4. Legal Risk

Enforcement proceedings before Indian courts may be time consuming and could expose the Company to potential losses. Although the Company regularly reviews its credit exposures, defaults may arise from events or circumstances that are difficult to detect or foresee.

5. Credit risk of the Company

Potential investors should be aware that receipt of principal amount and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Company. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Company, the payment of sums due on the Debentures may be substantially reduced or delayed.

6. Business reliance on real sector

A large part of the Company's lending portfolio comprises lending for real estate activities. The sector is subject to volatility and cyclicity. The Company's performance may be adversely impacted if the real estate sectors witnesses a downtrend.

In view of the pandemic and consequent measures like lockdown, curfew, etc. it may be noted that there may be delays in the construction of underlying projects thus leading to delayed cash flows from the

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project. This may affect our results of operations and business.

7. Non-Performing Assets (“NPA”)

The Company makes provisions for NPAs in accordance with the provisions prescribed by the RBI. The Company has 0.65 % NNPA as on 31 August 2021. The Company believes that its overall financial profile and capitalization levels provide significant risk mitigation. However, the occurrence of NPAs or an increase in the level of NPAs may adversely affect the Company’s business, financial results and/or operations.

8. Interest Rate Risk

The Company’s interest income from lending is dependent upon interest rates and their movement. Interest rates are highly sensitive to many factors beyond the control of the Company, including the monetary policies of the RBI, domestic and international economic and political conditions, inflation and other factors. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility. Consequently, there can be no assurance that significant interest rate movements will not have an adverse effect on the Company’s financial results and/or operations.

9. Access to Capital Markets and Commercial Borrowings

With the growth of its business, the Company will increasingly rely on funding from the debt capital markets and commercial borrowings. The Company’s growth and financial performance will depend on its continued ability to access funds at competitive rates which in turn will depend on various factors including its ability to maintain its credit ratings.

10. Sector Exposure

A large part of the Company’s lending portfolio comprises lending for real estate activities. The sector is subject to volatility and cyclical nature. The Company’s performance may be adversely impacted if the real estate sectors withstand a downturn.

11. Operational and System Risk

The Company is faced with operational and system risks, which may arise as a result of various factors, viz., improper authorizations, failure of employees to adhere to approved procedures, inappropriate documentation, failure in maintenance of proper security policies, frauds, inadequate training and employee errors. Further, the Company also faces security risk in terms of system failures, information system disruptions, communication systems failure which involves certain risks like data loss, breach of confidentiality and adverse effect on business continuity and network security. If any of the systems do not operate properly or are disabled or if other shortcomings or failures in internal processes or systems are to arise, this could affect the Company’s operations and/or result in financial loss, disruption of the Company’s businesses, regulatory intervention and/or damage to its reputation. In addition, the Company’s ability to conduct business may be adversely impacted by a disruption (i) in the infrastructure that supports its businesses and (ii) in the localities in which it is located.

12. Any inability of the Company to attract or retain talented professionals may impact its business operations

The business in which the Company operates is very competitive and ability to attract and retain quality talent impacts the successful implementation of growth plans. The Company may lose business opportunities and its business would suffer if such required manpower is not available on time. The inability of the Company to replace manpower in a satisfactory and timely manner may adversely affect its business and future financial performance.

13. Employee Misconduct

Any kind of employee misconduct may impair the Company's ability to service clients. It is not always possible to deter employee misconduct and the precautions the Company takes to detect and prevent this activity may not be effective in all cases.

14. Downgrading in credit rating

The Company has been assigned a rating of CRISIL AA/Stable by Crisil Limited (CRISIL) and CARE AA/Stable by CARE Rating. The Company cannot guarantee that this rating will not be downgraded. In the event of deterioration in the financial health of the Company, there is a possibility that the rating agency may downgrade the rating of the Debentures. In such cases, potential investors may have to take losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms. Such a downgrade in the credit rating may lower the value of the Debentures and/or the Company's ability to meet its obligations in respect of the Debentures could be affected.

15. No Debenture Redemption Reserve

As per the provisions of sub-rule 7 of Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, NBFCs are exempt from the requirement of creation of debenture redemption reserve in respect of privately placed debentures. Pursuant to this rule, the Company does not intend to create any such reserve funds for the redemption of the Debentures.

16. Security may be insufficient to redeem the Debentures

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of the Debenture Trustee Deed and other related Transaction Documents. The Investors recovery in relation to the Debentures will be subject to (i) the market value of the property offered as security, and (ii) finding a willing buyer for such security at a price sufficient to repay the potential investors' amounts outstanding under the Debentures.

17. Tax and other Considerations

Special tax, accounting and legal considerations may apply to certain types of potential investors. Potential investors are urged to consult with their own financial, legal, tax and other professional advisors to determine any financial, legal, tax and other implications of an investment into the Debentures.

18. The Debentures may be illiquid

It is not possible to predict if and to what extent a secondary market may develop in the Debentures or at what price the Debentures will trade in the secondary market or whether such market will be liquid or illiquid. As specified in this Placement Memorandum, an application has been made to list the Debentures on the Stock Exchange and an in-principle approval has been obtained. If the Debentures are so listed or quoted or admitted to trading on the Stock Exchange, no assurance is given by the Stock Exchange that any such listing or quotation or admission to trading will be maintained. The fact that the Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading.

The Issuer may, but is not obliged to, at any time purchase the Debentures at any price in the open market or by tender or private agreement. Any Debentures so purchased may be resold or surrendered for cancellation. The more limited the secondary market is, the more difficult it may be for holders of the Debentures to realise value for the Debentures prior to redemption of the Debentures.

Placement Memorandum cum PAS – 4

19. Future legal and regulatory obstructions

Future government policies and changes in laws and regulations in India (including their interpretation and application to the operations of the Company) and comments, statements or policy changes by any regulator and any regulatory action, including but not limited to SEBI or RBI, may adversely affect the Debentures, and restrict the Company's ability to do business. The timing and content of any new law or regulation is not within the Company's control and such new law, regulation, comment, statement or policy change could have an adverse effect on its business, financial results and/or operations.

Further, SEBI, the relevant Stock Exchange(s) or other regulatory authorities may require clarifications on this Offer Document, which may cause a delay in the issuance of Debentures or may result in the Debentures being materially affected or even rejected.

20. Material changes in regulations to which the Company is subject

NBFCs in India are subject to detailed supervision and regulation by the RBI, though currently NBFCs not accepting public deposits are exempt from many provisions. In addition, the Company is generally subject to changes in Indian law, as well as to changes in regulations and policies and accounting principles. The RBI also requires the Company to make provisions in respect of NPAs.

Any changes in the regulatory framework affecting NBFCs including risk weights on assets and/or provisioning norms for NPAs and/or capital adequacy requirements could adversely affect the profitability of the Company or its future financial performance by requiring a restructuring of its activities, increasing costs or otherwise. The Company is classified as a NBFC-ND-SI as defined in the RBI guidelines, which is subject to certain statutory, regulatory, exposure and prudential norms and this may limit the flexibility of the Company's loans, investments and other products.

21. Company's indebtedness and covenants imposed by its financing arrangements may restrict its ability to conduct its business

The Company's financing arrangements may require it to maintain certain security cover for some of its borrowings. Should there be any breach of financial or other covenants of any financing arrangement and such breach continues beyond the stipulated cure period (if any), the Company may be subjected to various consequences as a result of such default including forced repayment of such borrowings. Further, under some of the financing arrangements, the Company may be required to inform/ obtain prior approval of the lenders/ debenture holders/ debenture trustee for various actions. This may restrict/delay some of the actions/ initiatives of the Company from time to time.

22. A slowdown in economic growth in India

The Company's performance and the quality and growth of its assets are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy may adversely affect its business, including its ability to enhance its asset portfolio and the quality of its assets, and its ability to implement certain measures could be adversely affected by a movement in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or a general downtrend in the economy. Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact the Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

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23. Acts of God, Pandemic, terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and the Company's business

Acts of God, pandemic, terrorist attacks and other acts of violence or war may negatively affect the Indian markets and may also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence. In addition, adverse social, economic and political events in India could have a negative impact on the Company. Such incidents could also create a perception that investment in Indian companies involves a higher degree of risk which could have an adverse impact on the Company's business.

24. General Risk Factors

Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, the investors must rely on their own examination of the Company, this Offer Document issued in pursuance hereof and the Issue including the risks involved. The Issue has not been recommended or approved by SEBI or RBI nor does SEBI or RBI guarantee the accuracy or adequacy of this Offer Document.

25. General Risks of the Real Estate Industry

The Company will lend to companies dealing in real estate construction and development. The may include many risks including: declines in the value of real estate, general and local economic conditions, unavailability of mortgage funds, overbuilding, extended vacancies of properties, increased competition, increases in property taxes and operating expenses, change in laws, losses due to costs of cleaning up environmental problems, liability to third parties for damages resulting from environmental problems, casualty or condemnation losses and risks normally associated with development activities. An economic downturn could have a material adverse effect on the investment/lending of the Company, which in turn could result in the Company not achieving its objectives.

DETAILS OF DEFAULT IF ANY, INCLUDING THEREIN THE AMOUNT INVOLVED, DURATION OF DEFAULT AND PRESENT STATUS, IN REPAYMENT OF:

- (i) Statutory Dues: Nil
- (ii) Debentures and Interests thereon: Nil
- (iii) Deposits and interest thereon: Nil/Not applicable
- (iv) Loan from any bank or financial institution and interest thereon: Nil

DETAILS OF DEFAULT IN ANNUAL FILINGS OF THE COMPANY UNDER THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER

NIL

3. PARTICULARS OF THE OFFER

Financial position of the Company for the last three financial years

- a. Financial information for year ended March 31, 2021, March 31, 2020 & March 31 2019 (like Profit & Loss statement, and Balance Sheet) and auditors qualifications, if any
 Refer Annexure 6, 7 and 8
- b. Details of borrowings of the Company, as on the latest quarter end (30 June 2021)
 - i. Details of Outstanding Secured Loan Facilities – Rs 2,001.30 crores
 Refer page no 54 for Details of other borrowings including any other issue of debt securities in past
 - ii. Details of Outstanding Unsecured Loan Facilities – NIL
 - iii. Details of Outstanding Non-convertible securities –

Series of NCS	Tenor/ Period of maturity	Coupon	Amount	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
Series A of FY 21-22	10 years	8.01% p.a. payable quarterly	225 crores	May 19, 2021	May 19, 2029; May 18, 2030; and May 19, 2031	AA/Stable	Secured	First ranking, pari passu and continuing charge on loans, advances and receivables of the Issuer which are classified as standard assets in accordance with applicable regulations of the RBI

- c. The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group company, etc.) on behalf of whom it has been issued.- NIL
- d. Details of Outstanding Commercial Paper:- The total Face Value of Commercial Papers Outstanding as on the latest quarter end to be provided and its breakup in following table -NIL
- e. Details of the Rest of the borrowing (if any including hybrid debt like FCCB, Optionally

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Convertible Debentures / Preference Shares) - NIL

- f. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 3 years including the current financial year. – NIL
- g. Details of any outstanding borrowings taken/ debt securities issued where taken /issued
- (i) for consideration other than cash, whether in whole or part, -NIL
 - (ii) at a premium or discount, or - NIL
 - (iii) in pursuance of an option; - NIL
- h. Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability: NIL

Details of rest of borrowing as on June 30, 2021: Refer page 53

Date of passing of board resolutions and borrowing committed resolution in respect of the Issue

Board Resolution – March 19, 2021

Borrowing Committee Resolution – September 23, 2021

Date of passing of resolution in general meeting authorizing the issue of Debentures

April 19, 2021

Kind of Securities Offered (i.e. whether share or debentures) and class of security; the total number of shares or other securities to be issued

Listed fully redeemable secured non-convertible rated debentures of the face value of Rs. 1,000,000 (Rupees Ten Lakh), with a base issue size of upto Rs. 75,00,00,000 (Rupees Seventy Five crores) with an option to retain oversubscription of upto Rs. 75,00,00,000 (Rupees Seventy Five Crores), together aggregating upto Rs. 150,00,00,000 (Rupees One Hundred Fifty Crores only).

Price at which the security is being offered including premium, if any, alongwith justification of the price

Issued at par.

Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer;

N.A

Relevant date with reference to which the price has been arrived at; (Relevant Date means a date atleast thirty days prior to the date on which the general meeting of the company is scheduled to be held)

N.A

Class or classes of persons to whom proposed allotment is to be made

Financial Investors including Qualified Institutional Buyers

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Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer) (not required in case of issue of non- convertible debentures)

N.A.

Proposed time within which the allotment shall be completed

2 (two) calendar days from pay in date

The names of the proposed allottees and the percentage of post private placement capital that may be held by them (not required in case of issue of non- convertible debentures)

N.A.

Change in control, if any, that would occur consequent to private placement

N.A.

Number of persons to whom allotment on preferential basis/private placement/rights issue has already been made during the year, in terms of number of securities as well as price

NONE

Justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer

N.A.

Amount which the company intends to raise by way of securities

Base issue size of upto Rs. 75,00,00,000 (Rupees Seventy Five crores) with an option to retain oversubscription of upto Rs. 75,00,00,000 (Rupees Seventy Five Crores), together aggregating upto Rs. 150,00,00,000 (Rupees One Hundred Fifty Crores only) 150,00,00,000 (Rupees One Hundred Fifty Crores)

Terms of raising of securities – duration, if applicable, rate of dividend or rate of interest, mode of payment and repayment

Refer below-mentioned section on Summary of Terms of the issue

Proposed time schedule for which the offer is valid

Issue Opening Date – September 28, 2021

Issue Closing Date - September 28, 2021

Pay-in Date – September 29, 2021

Purposes and objects of the offer

Refer below-mentioned section on Summary of Terms of the issue

Particulars of any contribution being made by the promoters or directors of the Issuer as part of the offer or separately in furtherance of the objects of the Issue

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N.A.

All covenants of the issue (including side letters, accelerated payment clause, etc.):

N.A.

Principle terms of the assets charged as security, if applicable:

A first ranking, pari passu, floating hypothecation charge on the loans and advances made by the Company and the cash balance, bank balance and receivables of the Company which are classified as standard assets in accordance with applicable regulations of the RBI (hereinafter referred to as “**Hypothecated Assets**”) i.e. a first priority hypothecation on a floating charge basis to be shared pari passu with existing lenders and debenture holders (as applicable) as defined in the Deed of Hypothecation excluding any non-performing assets as categorized in accordance with the relevant guidelines issued by Reserve Bank of India from time to time with an asset cover of 1.25 times of the principal outstanding (“**Security Cover**”), and subject to Permitted Security Interest.

Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement):

As per the Term Sheet

Creation of Recovery expense fund:

The Issuer shall create the recovery expense fund in accordance with the SEBI regulations.

Conditions for breach of covenants (as specified in the Debenture Trust Deed):

As specified in the Term Sheet and the Debenture Trust Deed

Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the Company and its future operations:

NIL

Pre-issue and post issue shareholding pattern of the Company:

Sr No	Category	Pre-Issue		Post-Issue	
		No of Shares	% of share	No of Shares held	% of share holding
A	Promoters’ holding				
1	Indian	-	-	-	-
	Individual	-	-	-	-
	Bodies Corporate	-	-	-	-
	Sub-total	-	-	-	-
2	Foreign Promoters	27,210,582	89.77%	27,210,582	89.77%
	Subtotal (A)	27,210,582	89.77	27,210,582	89.77%
B	Non-Promoters’ holding				
1	Institutional investors	-	-	-	-
2	Non-institutional investors	-	-	-	-

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3	Private Corporate Bodies	246#	0.001%	246#	0.001%
4	Directors and relatives	2#	0.001%	2#	0.001%
5	Public	2#	0.001%	2#	0.001%
6	Others – Trust	3,100,694	10.23%	3,100,694	10.23%
	Subtotal (B)	3,100,944	10.23	3,100,944	10.23%
	Grand Total	30,311,526	100%	30,311,526	100%

#held as nominee holder of KKR India Asset Investments Pte. Ltd, Foreign Promoter.

Details of any acquisition or amalgamation in last one year:

No acquisition or amalgamation in last one year

Details of any reorganization or reconstruction in last one year:

No reorganization or reconstruction

List of top 10 equity shareholders

We have following equity shareholders:

S. No.	Name of shareholder	Total Number of equity shares	No. of shares in demat form	Total Shareholding as % of total no. of equity shares
1.	KKR India Asset Investments Pte. Ltd	27,210,582	27,210,582	89.77%
2.	NRJN Family Trust (Through its Trustee, Entrust Family Office Trusteeship Services Private Limited)	3,100,694	3,100,694	10.23%

List of top 10 holders of non-convertible securities in terms of value (in cumulative basis)

Sr. No.	Name of holders of Non-convertible securities	Amount	% of total NCS holding
1	LIC of India	225 crores	100%

Details of mode of payment for subscription:

Demand draft or cheque or electronic transfer drawn or made payable in favour of KKR India Asset Finance Limited and should be crossed “account payee only”.

Summary of Terms of the issue:

This bond issue does not form part of non-equity regulatory capital mentioned under Chapter V of SEBI NCS Regulations, 2021. The face value of each debt security issued on private placement basis shall be Rs. Ten lakh.

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Security Name	Non-convertible Debentures Series B of FY 21-22
Issuer	KKR India Asset Finance Limited (“ KKR India ” / “ Issuer ”).
Type of Instrument	Secured, Non-convertible, Listed, Redeemable, Rated Debentures
Nature of Instrument (Secured or Unsecured)	Secured
Seniority (Senior or subordinated)	Senior on a pari passu basis with other secured creditors of the Issuer.
Eligible Investors	<ul style="list-style-type: none"> • Trust • Limited Liability Partnerships • Partnership Firm(s) • Foreign Portfolio Investors, Alternative Investment Funds and Portfolio Managers registered with SEBI • Association of Persons • Companies and Bodies Corporate including Public Sector Undertakings • Commercial Banks • Regional Rural Banks • Financial Institutions • Insurance Companies • Mutual Funds • Any other investor eligible to invest in these Debentures
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	BSE Limited
Rating of the Instrument	CRISIL AA/Stable (Reaffirmed) & CARE AA/Stable (Reaffirmed)
Issue Size	Base issue size of upto Rs. 75,00,00,000 (Rupees Seventy Five crores) with an option to retain oversubscription of upto Rs. 75,00,00,000 (Rupees Seventy Five Crores), together aggregating upto Rs. 150,00,00,000 (Rupees One Hundred Fifty Crores only)
Minimum subscription	INR 1,000,000
Option to retain oversubscription (Amount)	Rs 750,000,000
Objects of the Issue / Purpose for which there is requirement of funds	The proceeds of the Debentures shall be utilized by the Issuer for the purpose of repayments of existing loans availed by the Issuer, further lending by KKR India and other general corporate purposes.
in case the issuer is a NBFC and the objects of the issue entail loan to any entity who is a ‘group company’ then disclosures shall be made in the following format:	NA
Details of the utilization of the Proceeds	NA
Coupon / Dividend Rate	9% p.a
Step Up/Step Down Coupon Rate	None
Coupon/Dividend Payment Frequency	Annual
Coupon / Dividend payment dates	29 th of September every year
Cumulative / non-cumulative, in case of dividend	NA
Coupon Type (Fixed, floating or other structure)	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).	NA
Day Count Basis (Actual/Actual)	Actual/Actual

Placement Memorandum cum PAS – 4

Interest on Application Money	N.A.
Default Interest Rate	<p>In case of default in payment of Coupon and/or principal Redemption Amounts on the Redemption Date, additional interest of 2% (Two percent) p.a. over the Coupon Rate shall be payable by the Issuer for the defaulting period.</p> <p>In case the Issuer fails to execute the Debenture Trust Deed within the period specified by SEBI, the Issuer shall also pay interest of at least 2% (two percent) per annum to the holder of debt securities, over and above the agreed coupon rate, till the execution of the Debenture Trust Deed.</p> <p>Delay in Listing: In case of delay in listing of the debt securities beyond 4 working days from issue closing date, the Company shall pay penal interest of at least @ 1% p.a. over the coupon rate from the expiry of 4 days from issue closing date till the listing of such debt securities to the investor and comply with other applicable provisions of SEBI Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on the Wholesale Debt Market Segment (WDM) of the Bombay Stock Exchange (BSE) as applicable.</p>
Tenor	10 years from the Deemed Date of Allotment
Redemption Date	29 September 2031
Redemption Amount	An amount representing the outstanding principal amount of the Series B FY 21-22 Debentures being redeemed on Redemption Date.
Redemption Premium/ Discount	NIL
Issue Price	At par, i.e. at Rs. 1,000,000 (Rupees Ten Lakhs) per Debenture
Discount at which security is issued and the effective yield as a result of such discount.	Nil
Put Date	Nil
Put Price	Nil
Call Date	Nil
Call Price	Nil
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	Nil
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	Nil
Face Value	Rs 1,000,000 (Rupees Ten Lakhs)
Minimum Application and in multiples of thereafter	1 Debenture and multiples of 1 thereafter
Issue Timing	9:00 am to 10:00 am
Issue Opening Date	September 28, 2021
Issue Closing Date	September 28, 2021
Date of earliest closing of the issue, if any.	September 28, 2021
Pay-in date	September 29, 2021
Deemed Date of Allotment	September 29, 2021
Settlement mode of the Instrument	Payment of interest and repayment of principal shall be made by way of cheque(s)/ credit through RTGS/ Electronic Fund Transfer or any other electronic

Placement Memorandum cum PAS – 4

	mode offered by the Banks
Depository	NSDL / CDSL
Disclosure of Interest/Dividend / redemption dates	As mentioned above
Record date	7 Calendar days prior to each coupon payment date / redemption date.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	NA
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the placement memorandum	The Debentures shall be secured by way of a first ranking, pari passu, floating hypothecation charge on loans, advances made by the Issuer and cash balance, bank balance and receivables of the Issuer which are classified as standard assets in accordance with applicable regulations of the RBI (“ Hypothecated Assets ”) created pursuant to the deed of hypothecation to be executed between the Company and the Debenture Trustee as described herein
Transaction Documents	The Issuer has executed/ shall execute or deliver the following documents: <ol style="list-style-type: none"> 1. Consent Letter from Catalyst Trusteeship Limited to act as Trustee to the Debenture holders; 2. Debenture Trusteeship Agreement; 3. Debenture Trust Deed; 4. Deed of Hypothecation 5. Rating Letter from CRISIL Ratings Limited and CARE ratings Limited; These documents shall be referred to as the “ Transaction Documents ”.
Conditions Precedent to Disbursement	The Issuer represents and warrants to the Investor or its successors or assigns, upon the execution of the Debenture Trust Deed, at the time of issuance of the Debentures and on each [Coupon Payment Date]: <ol style="list-style-type: none"> 1. The Issuer is duly incorporated and validly existing 2. The Issuer is authorized to enter into the Transaction Documents and Deed of Hypothecation within the time period as per applicable law, and the Transaction Documents are a valid and binding obligation of the Issuer enforceable in accordance with its terms; and the execution and performance of the Transaction Documents by the Issuer is lawful and does not constitute a default, acceleration or termination of any other agreement to which the Issuer is a party or breach of any judgment, decree, order or award. 3. All material information provided by the Issuer to the Debenture Trustee, in relation to the Debentures, at any time is true, complete, and accurate. 4. The Issuer is the sole owner of all assets shown on the Issuer’s financial statements delivered to the Debenture Trustee save and except as stated in the said financial statements. 5. The Issuer is solvent and capable of paying its obligations as and when they become due.

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6. There is no material litigation including winding up proceedings or governmental proceeding pending against the Issuer and the Issuer has not received notice of any such proceeding being threatened, which could impair the Issuer's ability to make payments in relation to the Debentures as they fall due.
7. The Issuer maintains and shall maintain accurate statements of its accounts and financial statements in accordance with generally accepted accounting principles.
8. All corporate authorizations required for entering into the Transaction Documents and performing the transactions pursuant hereto have been obtained and are in full force and effect, and the Transaction Documents and all transactions pursuant hereto are and will be in accordance with all applicable provisions of law;
9. Obligation hereunder are not in conflict with any other obligations of the Issuer
10. The execution of Transaction Documents is binding on the Issuer and such executed documents are valid and admissible in evidence in the court of law.
11. There is no Event of Default which has occurred or continuing with respect to the Issuer and no such event or circumstance would occur as a result of its executing the Transaction Documents or performance of any obligation there under.
12. The Issuer having received the in-principle approval of the Stock Exchange for the listing and trading of the Debentures.
13. Balance confirmation from the lenders of the Issuer, confirmation from the other lenders of the Issuer that the accounts of the Issuer are "standard" and third party consents, to the extent required.
14. Confirmation from the Issuer that no intermediary is receiving a commission in respect of the Issue.
15. The Issuer shall have good title to assets, to be provided as security.
16. The Issuer shall have created the recovery expense fund as required under applicable regulations of SEBI.

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<p>Conditions Subsequent to Disbursement</p>	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Private Placement Offer Letter:</p> <ol style="list-style-type: none"> 1. Confirming that the payment made for subscription to the Debentures is received from the bank account of the person/ entity subscribing to the Debentures and keep record of the bank accounts from where payments for subscriptions have been received. 2. Maintaining a complete record of private placement offers in Form PAS-5; 3. Filing a return of allotment of Debentures with complete list of all Debenture holders in Form PAS-3 under section 42 of the Companies Act, 2013, with the Registrar of Companies, within the prescribed time limit along with fee as provided in the Companies (Registration Offices and Fees) Rules, 2014; 4. Credit of demat account(s) of the allottee(s) by number of Debentures allotted within two working days from the Deemed Date of Allotment; 5. Making listing application to BSE and/ or NSE within such time period so as to ensure that the Debentures are listed within 4 trading days from the Deemed Date of Allotment of Debentures.
<p>Event of Default (including manner of voting /conditions of joining Inter Creditor Agreement)</p>	<p>Occurrence of any of the following events constitutes an event of default with respect to the Issuer -:</p> <ol style="list-style-type: none"> (i) The Issuer shall fail to promptly pay any Coupon Payment or Redemption Amount when the same shall become due and payable, save and except for any non-payment which arises out of technical or systems errors or the failure of the banking system; or (ii) If the Issuer fails to make payment when due under any agreement entered into by it in connection with any loans or other borrowings (including any kind of hybrid borrowing like FCCB, optionally convertible preference shares or Debentures) availed of by the Issuer of an amount in excess of INR 2000 cr. (iii) Breach of any material covenants, as specified in the Debenture Trust Deed, which are not remedied within a period of 30 days from the date of its breach. (v) execution or distress or other process being enforced or levied upon or against the whole or any part of the Hypothecated Assets instituted by a person other than the Issuer, which is not stayed or vacated within a period of 30 days from the date of such occurrence; (vi) any resolution being passed by the Issuer for the winding up of the Issuer (except for the purpose of amalgamation or reconstruction with the prior approval of the Investor); (vii) a Receiver being appointed in respect of the whole or any part of the property of the Issuer, and

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	<p>such appointment not being stayed or vacated within a period of 30 days;</p> <p>(viii) the Issuer being adjudicated insolvent;</p> <p>(ix) the Issuer ceasing to carry on business;</p> <p>or</p> <p>(x) The cessation of business by or the dissolution, winding-up, insolvency or liquidation of the Issuer.</p> <p>(xi) Events of default as set out below:</p> <ol style="list-style-type: none"> 1. Security provided being invalid security, and such breach not being remedied within 30days from its occurrence 2. Unlawfulness or unenforceability of the Transaction Documents 3. Illegality for the Issuer to perform any of its obligations under the Transaction Document, and such illegality not being remedied within 15 days from its occurrence
Creation of recovery expense fund	The Issuer shall create the recovery expense fund in accordance with the SEBI regulations
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Under the Debenture Trust Deed, it shall be an event of default if any default shall have occurred in the performance of any material covenants on the part of the Issuer which are not remedied within a period of 30 days from the date of its breach or default.
Provisions related to Cross Default Clause	NA
Role and Responsibilities of Debenture Trustee	<p>The Trustee shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Debentures and shall further conduct itself, and comply with the provisions of all applicable laws. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Non-Convertible Securities Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time, the Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents, with due diligence and loyalty.</p> <p>The Debenture Trustee shall carry out the necessary due diligence and monitor the Security Cover in the manner as specified by SEBI from time to time.</p>
Risk factors pertaining to the issue	Refer Section of Risk Factors
Governing Law and Jurisdiction	The Debentures are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of courts of Chennai.

Cash flow schedule for the Debentures:

Cash Flow (Coupon rate of 9% p.a. payable annually)	Interest Payment Date		Actual Payout Dates		Amount Per NCDs (in Rs.)
	Day	Date	Day	Date	
1 st Coupon	Thursday	29/09/2022	Thursday	29/09/2022	90,000
2 nd Coupon	Friday	29/09/2023	Friday	29/09/2023	90,000
3 rd Coupon	Sunday	29/09/2024	Friday	27/09/2024	90,000
4 th Coupon	Monday	29/09/2025	Monday	29/09/2025	90,000
5 th Coupon	Tuesday	29/09/2026	Tuesday	29/09/2026	90,000
6 th Coupon	Wednesday	29/09/2027	Wednesday	29/09/2027	90,000
7 th Coupon	Friday	29/09/2028	Friday	29/09/2028	90,000
8 th Coupon	Saturday	29/09/2029	Friday	28/09/2029	90,000
9 th Coupon	Sunday	29/09/2030	Friday	27/09/2030	90,000
10 th Coupon	Monday	29/09/2031	Monday	29/09/2031	90,000
Principal	Monday	29/09/2031	Monday	29/09/2031	10,00,000

4. DISCLOSURES | INTEREST OF DIRECTORS, LITIGATION ETC.

- (a) Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons

Nil

- (b) Details of any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of prospectus against the promoter of the Company

Nil

- (c) Remuneration of Directors (during the present financial year and the last three financial years immediately preceding)

Particulars	FY 2021-22 (till August 2021)	FY 2020-21	FY 2019 - 20	FY 2018 - 19
Remuneration of Directors	39,468,387	75,993,938	71,889,887	73,913,324

- (d) Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided

- (i) Names of related parties as identified by the management and nature of relationship are as follows:

- Refer Annexure 4

- (ii) The following are the details of transactions with related parties:

- Refer Annexure 4

- (e) Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the Issuer and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark

Nil

- (f) Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of Issuer and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for Issuer and all of its subsidiaries.

Nil

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- (g) Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investor's decision to invest/ continue to invest in the non-convertible securities

Nil

- (h) Details of acts of material frauds committed against Issuer in the last three years, if any, and if so, the action taken by the company

Nil

5. DISCLOSURES | ASSET LIABILITY MANAGEMENT

S. No.	Particulars of Disclosure	Details
1.	Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) by NBFC	Lending Policy Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc. Classification of loans into several maturity profile denomination Aggregated exposure to top 20 borrowers Details of loans, overdue and classified as Non-performing assets (NPA)
2.	Details of Borrowings made by NBFC	Refer page 54 for details of borrowings
3.	Details of change in shareholding	No Change in Shareholding in last financial year
4.	Disclosure of Assets under management	All loans are to Real Estate Sector
5.	Details of Borrowers	Geographical location wise
6.	Details of gross NPA	
7.	Details of Assets and Liabilities	Residual maturity profile wise into several bucket
8.	Disclosure of latest asset liability management statements to stock exchange	

- (a) Lending Policy:
 Lending Policy involves working with select partners and careful underwriting of deal risk and credit metrics. Key filters are:
- Owned lands; no joint development agreements (unless there is clear mortgage on developer's share of property)
 - No entitlement or approval risk
 - Lending only to projects in Metro/Tier-1 Cities
 - Healthy micro markets with inherent demand
- We prefer construction finance to mid-market residential projects with relatively fast moving inventory and consistent cash flows generation

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- (b) Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc. - NIL
- (c) Classification of loans into several maturity profile denomination as on 31 March 2021

1) Type of Loans

Sl No.	Type of Loans	Rs. crore
1	Secured	3,407.41
2	Unsecured	16.21
	Total assets under management (“AUM”) after adjustment of Expected Credit Loss	3,422.87

2) Denomination of loans outstanding by loan-to-value

Sl No.	Loan to value (at the time of origination)	Percentage of AUM
1	Upto 40%	-
2	40-50%	6%
3.	50-60%	29%
4	60-70%	46%
5	70-80%	1%
6	80-90%	-
7	>90%	3%
	Total	-

3) Sectoral Exposure as on 31 March 2021

Sl No.	Segment wise breakup of AUM	Percentage of AUM
1	Real Estate (including builder loans)	100%
	Total	100%

4) Denomination of loans outstanding by ticket size as on 31 March 2021

Sl No.	Ticket size (at the time of origination)	Percentage of AUM
1	Rs. 25 crore – 100 crore	11.34%
2	>100 crore	88.66%
	Total	100%

5) Geographical classification of borrowers as on 31 March 2021

Sl No.	Top 5 States	Percentage of AUM
1	Maharashtra	62.89%
2	Karnataka	23.34%
3	Tamil Nadu	6.93%
4	West Bengal	4.35%
5	Telangana	0.87%
	Total	98.38%

6) Aggregate Exposure of Top 20 Borrowers – Rs 3,081 crores

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- 7) Details of loans overdue and classified as non-performing in accordance with RBI's stipulations as on 31 March 21:

Movement of gross NPA	Rs. Crore
Opening NPA	-
-Additions during the year	239.15
- Reductions during the year	-
Closing balance of gross NPA	239.15

Movement of provisions for NPA	Rs. Crore
Opening NPA	-
-provisions made during the year	154.65
- write-off/ write back of excess provisions year	-
Closing balance of gross NPA	154.65

- 8) Segment wise gross NPA as on 31 March 21

Sl No.	Segment wise breakup of AUM	Gross NPA (%)
1	Retail	
A	Mortgage (home loans and loans against property)	-
B	Gold Loans	-
C	Vehicle finance	-
D	MFI	-
E	MSME	-
F	Capital market funding (loans against shares, margin funding)	-
G	Others	-
2	Wholesale	
A	Infrastructure	-
B	Real Estate (including builder loans)	6.78%
C	Promoter funding	-
D	Any other sector (as applicable)	-
E	Others	-
	Total	6.78%

- 9) Residual maturity profile of assets and liabilities as on 31 March 2021

Particulars	One month	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Cash and cash equivalents	790.24	-	-	-	-	-	-	-	790.24
Advances	58.88	0.76	42.63	139.57	331.23	1,676.67	786.55	115.91	3,152.2
Investments	-	-	-	-	-	266.70	50.17	0.75	317.62

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Particulars	One month	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Borrowings	25.00	-	216.25	155.00	280.00	1,227.50	283.75	-	2,187.00
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	0.04	-	-	-	-	-	-	0.04

6. FINANCIAL POSITION OF THE COMPANY

(a) The capital structure of the Company:

(i) Details of Share Capital as on last quarter ending March 31, 2021:

Particulars	Rs. in Lakhs
SHARE CAPITAL	
a. Authorized Share Capital (in Rs.)	
30,000,000 Class A Equity Shares of Rs. 100/- each	33,500
3,500,000 Class B Equity Shares of Rs. 100/- each	
Number of Equity Shares of Rs. 100/-each	
Class A Equity Shares	300
Class B Equity Shares	35
Number of Preference Shares of Rs. 100/- each	Nil
Total	335
b. Issued, Subscribed and Paid-up Share Capital (in Rs.)	
27,210,832 Class A Equity Shares of Rs. 100/- each fully paid-up	27,210.83
3,100,694 Class B Equity Shares of Rs. 100/- each fully paid-up	3,100.69
Number of Equity Shares of Rs. 100/-each	
Class A Equity Shares	272.11
Class B Equity Shares	31.01
Total	303.12

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(ii) Change in capital structure of the Issuer as on March 31, 2021 for the last three years:

Sr. No.	Date of Change (AGM/EGM)	INR	Particulars
1.	AGM - August 10, 2016	Class A – INR 2,400,000,000 Class B – INR 350,000,000	The authorized share capital of the Company was increased from Rs. 250 crores (Rupees Two Hundred Fifty Crores Only) divided in to 2,15,00,000 (Two Crores Fifteen Lakhs Only) Class A Equity Shares of Rs. 100 (Rupees Hundred Only) each and 35,00,000 (Thirty Five Lakhs Only) Class B Equity Shares of Rs. 100 (Rupees Hundred Only) each to Rs. 275 crores (Rupees Two Hundred Seventy Five Crores Only) divided in to 2,40,00,000 (Two Crores Forty Lakhs Only) Class A Equity Shares of Rs. 100 (Rupees Hundred Only) each and 35,00,000 (Thirty Five Lakhs Only) Class B Equity Shares of Rs. 100 (Rupees Hundred Only) each.

(iii) Size of the present offer

Base issue size of upto Rs. 75,00,00,000 (Rupees Seventy Five Crores) with an option to retain oversubscription of upto Rs. 75,00,00,000 (Rupees Seventy Five Crores)

(iv) Paid up Capital

Particulars	Rs. in Lakhs
a. After the offer	30,311.53
b. After conversion of convertible instruments, if applicable	30,311.53
c. Share premium account (before and after the offer)	129,653.83

(v) Share premium account (before and after the offer)

Description	Rs. in lakhs
Before the offer	129,653.83
After the offer	129,653.83

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(vi) Equity Share Capital history of the Company as on March 31, 2021 and last 3 Financial Years

Date of allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, other than cash, etc.)	Nature of allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (Rs.)	Equity Share Premium (Rs.)	
23-02-17	4,323,555	100	432,355,500	432,355,500	Preferential allotment / private placement	30,311,526	3,031,152,600	12,965,383,022	23-02-17
14-09-16	8,695,094	100	869,509,400	869,509,400	Rights issue	25,987,971	2,598,797,100	10,980,871,277	14-09-16
20-04-16	4,055,870	100	405,587,000	405,587,000	Preferential allotment / private placement	17,292,877	1,729,287,700	7,155,029,917	20-04-16
05-11-15	7,778,177	100	777,817,700	777,817,700	Rights issue	13,237,007	1,323,700,700	5,419,117,557	05-11-15
22-01-15	5,316,510	100	531,651,000	531,651,000	Preferential allotment / private placement	5,458,830	545,883,000	2,222,286,810	22-01-15
22-01-15	142,320	100	14,232,000	14,232,000	Transfer	142,320	14,232,000	58,467,240	22-01-15

- (b) Details of share allotments made in last one year preceding the date of the Placement Memorandum, number and price at which each of the allotments were made in the last one year preceding the date of the private placement offer cum application letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case:

Nil

- (c) Profits of the Company, before and after making provisions for tax, for the three financial years immediately preceding the date of circulation of offer document:

- Refer Annexure 5.

- (d) Dividends declared by the Company in respect of the last three financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Dividends	NIL	NIL	NIL
Interest Coverage Ratio	1.33	1.30	3.15

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- (e) Summary of the financial position of the Company as in the three audited balance sheets immediately preceding the date of issue of private placement offer cum application letter
 - Refer Annexure 6, 7 and 8
- (f) Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter
 - Refer Annexure 7
- (g) Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Company.

The Company moved from IGAAP to IND-AS accounting as on 1st of April 2018. The impact on Equity was as under

Reconciliation of Equity as previously reported under IGAAP to Ind AS				
(Rs. In Million)				
Particulars	Note No.	Total Comprehensive income reconciliation	Equity reconciliation	
		Year ended March 31, 2018	As at March 31, 2018	As at April 1, 2017
Net profit/ Total Equity as per previous Indian GAAP		1,513.98	18,659.95	17,145.98
Ind AS Adjustments:				
a. Loans / Investments carried at amortized cost	1	23.38	(152.70)	(176.08)
b. Loan / Investments carried at FVTPL	1	286.55	434.31	147.76
c. Reversal of provision on loans/investment under previous GAAP	1	34.64	90.67	56.03
d. ECL on Loans/ Investments carried at amortized cost	2	-	(330.02)	(206.10)
e. Amortization of processing fees expense on debt securities / borrowings as per effective interest rate method	3	1.07	12.82	11.75
f. Deferred tax asset (net)	5	- 76.73	(19.06)	57.67
g. Others		(0.38)	-	-
Total		144.61	36.02	(108.97)
Net profit / Total Equity as per Ind AS		1,658.59	18,695.97	17,037.01
Other comprehensive income (net of tax)	4	0.37	-	-
Total comprehensive income / Total Equity as per Ind AS		1,658.96	18,695.97	17,037.01

Notes:

1. Under previous GAAP, loans/investments were carried at cost and the processing / upfront fees thereon were credited to the Statement of Profit and Loss on an accrual basis whereas under Ind

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AS such loans/investments are measured based on entity's business model for managing such financial assets and the contractual cash flow characteristics of such financial assets.

Accordingly;

- A. The loans/investments that meet the business model and contractual cash flow tests are measured at amortized cost applying the effective interest method; and
 - B. The loans/investments that do not meet the business model and contractual cash flow tests are measured at FVTPL.
2. Under previous GAAP, provision for doubtful loans /investments was calculated using incurred loss model. Under Ind AS, the impairment of financial assets and commitments, are determined using the expected credit loss model.
 3. Under Previous GAAP, transaction costs on borrowings were charged to the Statement of Profit and Loss as and when incurred. Under Ind AS, these costs are recognized in the Statement of Profit and Loss over the tenure of the debt securities/ borrowing as part of interest expense by applying effective interest method.
 4. Under previous GAAP, Company recognizes actuarial gains/losses on defined benefit plan in the Statement of Profit and Loss. Under Ind AS, the actuarial gains and losses will be recognized in other comprehensive income asremeasurements.
 5. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. It also includes impact of deferred tax arising on account of transition to Ind AS

(h) Details of existing charge holders:

All charges are in name of the Catalyst Trusteeship Limited (Trustee) created in favor of respective Banks.

Particular	Amount
Bank of Baroda	4,800,000,000
Bank of Baroda	4,000,000,000
RBL Bank Limited	2,250,000,000
RBL Bank Limited	750,000,000
RBL Bank Limited	500,000,000
State Bank of India	3,000,000,000
State Bank of India	5,000,000,000
IndusInd Bank	1,500,000,000
IndusInd Bank	1,000,000,000
IndusInd Bank	1,000,000,000
KVB Bank	1,250,000,000
Bank of India	3,000,000,000
Canara Bank	2,500,000,000
Indian Bank	2,000,000,000
Indian Overseas Bank	2,000,000,000
Series A of FY 21-22 Debentures	3,000,000,000
Total	37,550,000,000

- a. If the security is collateralized by a guarantee, a copy of the guarantee or the principal terms of the guarantee are to be included in the offer document: **NA**

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b. Details of other borrowings including any other issue of debt securities in past :

Sr No .	Lender's name	Type of Facility	Amount Sanctioned (INR Crore)	Principal Amount O/s as on 30 th June 2021 (INR Crore)	Repayment Date Schedule	Security
1	RBL Bank	Term Loan	225.00	100.00	Facility shall be repaid as follows: 1. At the end of 1st, 2nd & 3rd year from the date of first disbursement - Rs. 25 crores each. 2. At the end of 4 th year from the date of first disbursement - Rs. 50 crores 3. At the end of 5th year from the date of first disbursement - Rs. 100 crores	Pari passu charge on loans and advances (which are eligible for direct bank finance as per RBI guidelines with on asset cover of 1.25 times.
2	RBL Bank	Term Loan	75.00	70.00	Facility shall be repaid as follows: 1. At the end of 1st & 2nd year from the date of first disbursement - Rs. 5 crores each. 2. At the end of 3rd year from the date of first disbursement - Rs. 10 crores 3. At the end of 4th year from the date of first disbursement - Rs. 15 crores 4. At the end of 5th year from the date of first disbursement - Rs. 40 crores	

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Sr No .	Lender's name	Type of Facility	Amount Sanctioned (INR Crore)	Principal Amount O/s as on 30 th June 2021(INR Crore)	Repayment Date Schedule	Security
4	Bank of Baroda	Term Loan	600.00	120.00	The limit to get reduced by 20% annually, from the date of first disbursement.	First pari-passu charge by way of hypothecation on standard loans and advances (both present and future) of the Company which are eligible for direct bank finance as per RBI guidelines to the extent of minimum assets coverage of 1.25 times the outstanding amount under various facilities.
5	Bank of Baroda	Term Loan	400.00	240.00	The term loan limit will reduce by 20% every year	First pari-passu charge by way of hypothecation on standard loans and advances (both present and future) of the Company which are eligible for direct bank finance as per RBI guidelines to the extent of minimum assets coverage of 1.25 times the outstanding amount under various facilities.

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Sr No	Lender's name	Type of Facility	Amount Sanctioned (INR Crore)	Principal Amount O/s as on 30 th June 2021(INR Crore)	Repayment Date Schedule	Security
6	State Bank of India	Term Loan	300.00	120.00	To be repaid in 4 annual ballooning installments after moratorium period of 1 year & 6 months in the following manner: 1. At the end of 18 months from the date of first disbursements - 10% 2. At the end of 30 months from the date of first disbursements - 20% 3. At the end of 42 months from the date of first disbursements - 30% 4. At the end of 54 months from the date of first disbursements - 40%	First pari passu hypothecation charge on standard loans and advances / receivables of the company eligible for bank funding as per RBI guidelines to the extent of 1.25 times.
7	State Bank of India	Term Loan	500.00	375.00	To be repaid in 5 annual ballooning installments , after a moratorium of 6 months from the date of last disbursement in the following manner: 1. At the end of 1 year from the date of disbursement - 10% 2. At the end of 2 years from the date of disbursement - 15% 3. At the end of 3 years from the date of disbursement - 20% 4. At the end of 4 years from the date of disbursement - 25% 5. At the end of 5 years from the date of disbursement - 30%	First pari passu Hypothecation charge on standard loans and advances / receivables of the company eligible for bank funding as per RBI guidelines to the extent of 1.25 times.
8	IndusInd Bank	Term Loan	150.00	120.00	Loan to be repaid as follows: 1. At the end of the 1st, 2nd & 3rd year from the date of disbursement - Rs. 15 crores each 2. At the end of 3.5 years from the date of disbursement - Loan balance of Rs. 105 crores to be repaid in full by bullet repayments & limit to be cancelled	Floating First Pari-Passu charge by way of Hypothecation of the Borrower's Secured Loan Receivables/Book debts with an eligible Asset Cover of at least 1.25 times.

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Sr No .	Lender's name	Type of Facility	Amount Sanctioned (INR Crore)	Principal Amount O/s as on 30 th June 2021(INR Crore)	Repayment Date Schedule	Security
9	IndusInd Bank	Term Loan	100.00	75.00	Repayment in 5 yearly installments of Rs. 25 crores from the date of first disbursement	
10	IndusInd Bank	Term Loan	100.00	56.25	Repayment in 16 quarterly installments of Rs 6.25 crores	
11	Karur Vysya Bank	Term Loan	125.00	75.00	Repayment in 5 yearly installments of Rs. 25 crores.	Floating first pari passu charge by way of hypothecation of the secured loan receivables and book debts of the company arising from loans and advances (both present and future) made by the borrower (which are eligible for direct bank finance as per RBI guidelines) with minimum asset coverage ratio of 1.25 times of Principal and accrued interest in arrears on the credit facility.
12	Bank of India	Term Loan	300.00	300.00	The term loan will be repaid in 16 equal Quarterly installments of Rs.18.75 crores each after moratorium of 1 year	1st Pari-Passu charge by way of Hypothecation of the Loan Receivables / Book debts both present and future through security trustee(Minimum Asset Coverage to be maintained at 1.25 on the outstanding loan amount)

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Sr No .	Lender's name	Type of Facility	Amount Sanctioned (INR Crore)	Principal Amount O/s as on 30 th June 2021 (INR Crore)	Repayment Date Schedule	Security
13	Canara Bank	Term Loan	250.00	250.00	The term loan will be repaid in 16 equal instalments of Rs 15.625 crores after a moratorium of 1 year	A first ranking hypothecation on a floating charge basis, over standard loans / receivables and advances made by the Borrower (which are eligible for direct bank finance as per RBI guidelines) with an asset cover of 1.25 times principal outstanding and accrued interest, if any in arrears.
14	Indian Bank	Term Loan	200.00	100.00	The term loan will be repaid in 18 equal instalments of Rs 11.11 crores after a moratorium of 6 months	A first ranking hypothecation on a floating charge basis, over standard loans / receivables and advances made by the Borrower (which are eligible for direct bank finance as per RBI guidelines) with an asset cover of 1.25 times principal outstanding and accrued interest, if any in arrears.
15	Series A of FY 21-22 Debentures	NCD	300.00	225.00	Payable in 3 equal instalments at the end of 8 th , 9 th and 10 th year	First ranking, pari passu and continuing charge on loans, advances and receivables of the Issuer which are classified as standard assets in accordance with applicable regulations of the RBI with an asset cover of 1.25 times principal outstanding and accrued interest, if any in arrears.
	Total			2,226.25		

- c** The following details in case of companies undertaking major expansion or new projects :-
 (copy of project appraisal may be made available on request)
- (A)** Cost of the project, with sources and uses of funds : **NA**
 - (B)** Date of commencement with projected cash flows : **NA**
 - (C)** Date of financial closure (details of commitments by other institutions to be provided) : **NA**
 - (D)** Profile of the project (technology, market etc.) : **NA**
 - (E)** Risk factors : **NA**
- d** Whether outstanding NCDs have been serviced promptly and interest paid on due dates on term loans & debt securities: **Yes, NCDs have been serviced promptly and interest has been paid on term loans and debt securities.**
- e** If answer is no, give details of overdue payments : **N.A**
- f)** Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the non-convertible securities

Nil

- g)** Disclosures pertaining to wilful default In case of listing of debt securities made on private placement basis, the following disclosures shall be made:
- (a) Name of the bank declaring the entity as a wilful defaulter
 - (b) The year in which the entity is declared as a wilful defaulter
 - (c) Outstanding amount when the entity is declared as a wilful defaulter
 - (d) Name of the entity declared as a wilful defaulter
 - (e) Steps taken, if any, for the removal from the list of wilful defaulters
 - (f) Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions
 - (g) Any other disclosures as specified by the Board
- The fact that the issuer or any of its promoters or directors is a wilful defaulter shall be disclosed prominently on the cover page with suitable cross-referencing to the pages

Nil

PART B – DOCUMENTS TO BE SUBMITTED

1. Documents Submitted to the Stock Exchange

- (a) Memorandum and Articles of Association and necessary resolution(s) for the Allotment of the Debentures;
- (b) Copy of limited review financials for FY 20-21 and last three years audited annual reports;
- (c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (d) Copy of the Board / committee resolution authorizing the borrowing and list of authorized signatories;
- (e) An undertaking from the Issuer stating that the necessary documents for the creation of the charge, where applicable, including the trust deed would be executed within the time frame prescribed in the relevant regulations/act/rules etc. and the same would be uploaded on the website of the designated Stock Exchange, where the debt securities have been listed, within five working days of execution of the same;
- (f) Any other particulars or documents that the Stock Exchange may call for as it deems fit;
- (g) An undertaking that permission / consent from the prior creditor for a second or pari-passu charge being created, where applicable, in favour of the Debenture Trustee to the proposed Issue has been obtained.
- (h) Due diligence certificate from the Debenture Trustee as per the format specified in Annexure B of the SEBI Due Diligence Circular.
- (i) PAN no of all Directors and Promoter Company

2. Documents Submitted to the Debenture Trustee

The following documents have been / shall be submitted to the Debenture Trustee in electronic form (soft copy) on or before the Deemed Date of Allotment:

- (a) Memorandum and Articles of Association and necessary resolution(s) for the allotment of the Debentures;
- (b) Copy of last three years' audited annual reports;
- (c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (d) Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any.- attached as annexure-15
- (e) An undertaking to the effect that the Issuer would, till the redemption of the debt securities, submit the details mentioned in point (d) above to the Debenture Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015, as amended from time to time for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 (One Hundred Eighty) days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing debenture-holders within 2 (two) working days of their specific request.

PART C - APPLICATION PROCESS AND OTHER ASSOCIATED DETAILS

- Who can apply?

This Placement Memorandum and the contents hereof are restricted to only the intended recipient(s) who have been addressed directly through a communication by or on behalf of the Company, and only such recipients are eligible to apply for the Debentures.

The categories of Investors eligible to invest in the Debentures, when addressed directly, include commercial banks, financial institutions including development financial institutions, companies and bodies corporate, insurance companies, FIIs, trustee companies of mutual funds, asset management companies and such other categories of investors, as expressly authorized to invest in the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue.

In case of electronic book mechanism, the eligible investors/ bidders and the other participants (in its capacity as Electronic Book Provider) should be in compliance with the SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 which came into force with effect from August 16, 2021, SEBI FAQs issued on electronic book mechanism for issuance of debt securities on private placement basis.

Electronic Bidding Process

The bidding process, parameters and requirements for the Debentures issued pursuant to the electronic bidding mechanism will be in accordance with the SEBI circular no., SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, SEBI FAQs issued on Electronic book mechanism for issuance of debt securities on private placement basis and the operational guidelines issued by the BSE.

The Subscription to the Debentures shall be made by the Investors through the electronic book mechanism by placing bids on the electronic book platform (“**EBP Platform**”) during the issue period. In case the Investors are not registered on the EBP Platform, they will register themselves as an ‘investor’ on the EBP Platform and also complete the mandatory ‘know your customer’ verification process. The disclosures required pursuant to the EBP circular are set out hereunder:

Details of size of the issue and green shoe option, if any, and a range within which such green shoe option, may be retained.	Base issue size of upto Rs. 75,00,00,000 with an option of oversubscription of upto Rs. 75,00,00,000 (Rupees Seventy Five Crores) aggregating upto Rs. 15,00,00,000 (Rupees One Hundred Fifty Crores only)
Bid opening and closing date.	Bid Opening Date: September 28, 2021 Bid Closing Date: September 28, 2021
Minimum Bid Lot	Rs. 10,00,000
Manner of bidding in the issue	Closed
Manner of Allotment	Uniform Yield allotment
Manner of settlement in the issue	Indian Clearing Corporation Limited (ICCL)
Settlement Cycle	T+1

- How to apply?

Applications for the Debentures must be made by Investors in the Application Form, and must be completed in block letters in English. Application Forms must be accompanied by either a demand draft or cheque or electronic transfer drawn or made payable at discount in favour of KKR India Asset Finance Limited and should be crossed “account payee only”. The full amount of the face value of the Debentures applied for has to be paid along with the delivery of the fully completed and executed Application Form.

Each Investor shall subscribe to a minimum of 1 (one) Debentures. The minimum application for subscription therefore, shall be Rs. 1,000,000. The relevant number of Debentures which are applied for by the Investors should be clearly specified in the Application Form.

The applications not completed in the said manner are liable to be rejected. The Application Forms duly completed accompanied by account payee cheques/drafts/application money/transfer instructions from the respective investor’s account to the account of the Issuer, shall be submitted at the registered office. Cheques/demand drafts/electronic transfers may be drawn on any scheduled bank and payable at Mumbai. Returned cheques are not liable to be presented again for collection, and the accompanying Application Forms are liable to be rejected. In case the returned cheques are presented again the necessary charges, if any, are liable to be debited to the Investor. The Company assumes no responsibility for any applications/cheques/demand drafts lost in mail or in transit. Investors are required to submit certified true copies of the following documents, along with the subscription form, as applicable:

- Memorandum and articles of association/constitutional documents/bye-laws/trust deed
- Government notification/ Certificate of incorporation;
- Board resolution / letter authorizing the investment along with operating instructions;
- Certified true copy of the power of attorney, wherever applicable;
- Specimen signature of the authorized signatories, duly certified by an appropriate authority
- Copy of the PAN card;
- Form 15AA granting exemption from tax deductible at source on interest;
- Form 15H for claiming exemption from tax deductible at source on interest on application money, if any;
- Order under Section 197 of the IT Act;
- Order under Section 10 of the IT Act.

The officials should sign the Application Form under their official designations.

The payment to be made for subscription of the Debentures shall be made from the bank account of the person subscribing to such Debentures and in case the Debentures are to be held/subscribed by joint holders then the payment shall be made from the bank account of the person whose name first appears in the Application Form.

Successful bidders should ensure to do the funds pay-in from their same bank account which is updated by them in the BSE – EBP Platform while placing the bids. Payment should be made by the deadline specified by the BSE. Successful bidders should do the funds pay-in to the bank accounts of the BSE (“Designated Bank Account”) as displayed in EBP Platform at time of bidding.

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- Applications under Power of Attorney

A certified true copy of the power of attorney or the relevant authority, as the case may be, along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/ document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the Issuer or to its Registrars or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

- Application by Mutual Funds

In case of applications made by mutual funds, only through an asset management company a separate application must be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications will not be treated as multiple applications, provided that the application made by the asset management company/ trustees/ custodian clearly indicate their intention as to the scheme for which the application has been made.

- Right to Accept or Reject Applications

The Company is entitled at its sole and absolute discretion to accept or reject any application, in part or in full, without assigning any reason. Application Forms that are not complete in all respects shall be rejected at the sole and absolute discretion of the Company, and would not be paid any interest on the application money. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Interest on application money will be paid from the date of realisation of the cheque(s)/ demand drafts(s) till one day prior to the date of refund. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- (i) Number of Debentures applied for is less than the minimum application size;
- (ii) Bank account details not given;
- (iii) Details for issue of Debentures in electronic/ dematerialised form not given;
- (iv) PAN/GIR and IT Circle/Ward/District not given;
- (v) In case of applications under Power of Attorney by limited companies, corporate bodies, etc. relevant documents not submitted;

In the event, if any Debentures applied for is not allotted in full, the excess application monies of such Debentures will be refunded, as may be permitted.

- Issue Program

Issue Opening Date	September 28, 2021
Issue Closing Date	September 28, 2021

Debentures will be open for subscription at the commencement of banking hours and close at the close of banking hours on the dates specified above.

- Procedure and time of schedule for Allotment

On the Debentures being subscribed under this Issue, the Debentures would be allotted by the Board. The Company will credit the Depository Participant account of the allottee, in favour of the allottees or send a refund letter along with refund amount, in accordance with the provisions hereunder and

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 the Debenture Documents.

The Issuer shall pay penal interest of 1% p.a. over the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing)

- Basis of Allotment

The Company has the sole and absolute right to allot the Debentures to any applicant.

- Issue of Debentures

After completion of all legal formalities the Company shall credit the depository account of the allottee within 2 (two) working days from the Deemed Date of Allotment.

- Designated Account

If the Issuer is not able to allot the Debentures within 2 (two) working days of receipt of application money, it shall repay the application money to the subscribers within 2 (two) working days from the scheduled completion of allotment date of 2 (two) working days and if the Issuer fails to repay the application money within the aforesaid period, it shall be liable to repay that money with interest at applicable interest rate from the expiry of the 2nd (second) working day.

Provided that monies received on application under this section shall be kept in the Account with the Designated Bank and till the allotment of Debentures shall not be utilized for any purpose other than—

- for adjustment against allotment of Debentures; or
- for the repayment of monies where the Issuer is unable to allot the Debentures.

- Dispatch of Refund Orders

The Company shall ensure dispatch of refund orders, if any, by registered post.

- Loss of Interest Cheques / Refund Cheques

Loss of interest cheques/refund cheques should be intimated to the Company along with request for issue of duplicate instrument. The issue of duplicate in this regard shall be governed by Applicable Law and any other conditions as may be prescribed by the Company.

The details of the Designated Bank are as follows:

Bank Name	State Bank of India
Account No	37260666220
IFSC Code	SBIN0008965
Bank Address	Parinee Crescenzo, 202, Wing 'B', 2nd Floor, C-38/39, G Block, Bandra Kurla Complex, Mumbai 400051
Beneficiary	KKR India Asset Finance Limited

Where the entire subscription amount has been refunded, the Interest on application money will be paid along with the refund orders at the final interest rate per annum calculated from the date of

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receipt of such funds till the Deemed Date of Allotment within 1 (one) Business Day of the Issue Close Date.

Where an applicant is allotted a lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the applicant along with the Interest on application money as stated above.

- Computation of interest

All calculations of interest/premium etc. shall be on actual basis and the day on which any funding/subscription amounts are received shall be excluded from such calculation.

If the coupon payment date of the Debentures falls on day which is not a Business Day, the coupon payment shall be made on the next Business Day. If the Maturity Date/Redemption Date of the Debentures falls on a day which is not a Business Day, the redemption proceeds shall be paid on the immediately previous Business Day.

In the case of joint holders of Debentures, Redemption Amounts shall be payable to the first named Debenture Holder. The provisions of the Depositories would be compiled by the Registrar for facilitating Redemption Amount payment by the Company on the relevant Debenture Payment Date.

In the case of redemption of any of the Debentures on a day other than a Redemption Date, accrued interest on the Debentures for such broken period shall be paid on a pro-rata basis.

The Issuer shall not gross-up or increase any payment to be made on account of a tax deduction/withholding required under applicable Law.

- Redemption

(i) Each Debenture will be redeemed on the Redemption Date.

(ii) The Issuer shall repay and redeem, on each Redemption Date, the Redemption Amounts.

- Payment on redemption

Payment of the Redemption Amount of the Debentures will be made by the Company to the beneficiaries of the Debentures as per the beneficiary list provided by the Depositories as on the Record Date. The Debentures shall be taken as discharged on payment of the outstanding amounts of the Debentures by the Company to the beneficiaries of the relevant Series as per the beneficiary list. On such payment being made, the Company will inform the Depository and accordingly the account of the relevant Debenture Holders with Depositories will be adjusted. The Company's liability to the Debenture Holder for each of the Debentures in respect of all their rights including for payment or otherwise shall cease and stand extinguished after the respective Redemption Dates. Upon dispatching the payment instrument towards payment of the outstanding amounts of the relevant Series of Debentures as specified above, the liability of the Company shall stand extinguished with respect to such Series of Debentures. Further, the Issuer will not be liable to pay any interest or compensation from such date of redemption.

- Splitting and Consolidation

Splitting and consolidation of the Debentures is not applicable in the demat mode form since the saleable lot is one Debenture.

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- Mode of Transfer

The Debentures shall be freely transferable to all classes of eligible investors subject to compliance with Applicable Laws. The Debentures shall be transferred and/or transmitted in accordance with applicable provisions of the Companies Act and other Applicable Laws.

Transfer of Debentures (being in dematerialised form) would be in accordance to the rules/procedures as prescribed by the Depositories and the stock exchanges.

- Rights of Debenture Holders

The Debentures Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under any Applicable Law including the Companies Act and the Debenture Documents. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Company.

- Modification of Rights

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated with the consent, in writing, of Majority Debenture Holders, or with the sanction accorded pursuant to a resolution passed at a meeting of the Debenture Holders, carried by a majority consisting of not less than three-fourths of the persons voting there upon a show of hands or, if a poll is demanded by a majority representing not less than three-fourths in value of the votes cast on such poll, provided that nothing in such consent or resolution shall be operative against the Issuer where such consent or resolution modifies or varies the terms and conditions of the Debentures, if the same are not accepted in writing by the Issuer. Provided however that where the Debenture Trustee determines any such condition, terms etc. which are to be modified to be of a formal, negligible, minor or technical nature, the Debenture Trustee may, at any time, without prejudice to the rights of the Debenture Holders in respect of any subsequent modification, modify such rights, privileges, terms and conditions.

- Security

For the purposes of securing (a) the payment of the Amounts Due, and (b) due discharge of all the obligations of the Company under this Deed, the Placement Memorandum and other Debenture Documents, the Company shall create and maintain in full force and effect till the Final Settlement Date the following Security:

A first ranking, pari passu, floating hypothecation charge on the loans and advances made by the Company and the cash balance, bank balance and receivables of the Company which are classified as standard assets in accordance with applicable regulations of the RBI (hereinafter referred to as “**Hypothecated Assets**”) i.e. a first priority hypothecation on a floating charge basis to be shared pari passu with existing lenders and debenture holders (as applicable) with an asset cover of 1.25 times principal outstanding (“**Security Cover**”), and subject to Permitted Security Interest as provided in the Deed of Hypothecation.

The Encumbrance created / to be created over the Encumbered Assets for the benefit of the Debenture Holders shall be shared on a pari passu basis with the Encumbrance created previously for the benefit of the existing lenders.

Subject to maintenance of the Security Cover, the Issuer may from time to time deal with the loans, non-convertible debentures, optionally convertible debentures and/or receivables at its discretion including to accept prepayment, delay repayment/redemptions/interest payment, reduce yield, modify security, assign the benefits in part or in whole, etc.

The Company shall be at liberty at any time during the continuance of this security, without the prior permission in writing of the Debenture Trustee or the Debenture Holders, to withdraw any of the Encumbered Assets from such of the security trusts, powers and provisions hereof or pursuant hereto provided the Security Cover should have been available in relation to the Debentures.

It is clarified that proceeds of any repayment/redemption of loans made by the Issuer may be used by the Issuer in its ordinary course of business, including to further lend to others.

The Issuer shall create the Security on or prior to the Deemed Date of Allotment.

The Company shall ensure to take all corporate actions and do all filings with the ROC for / in relation to the Security as may be required under applicable Law for legality, validity and continuance of the Security.

The Security maybe replaced in the manner provided in the Debenture Documents.

- Consents if any for undertaking this issue or creating security

The Issuer has obtained required consents from its shareholders, and, the no objection certificate from the existing lenders in relation to the ceding of pari passu charge on the Encumbered Assets on behalf of the Existing Lenders in favour of the Debenture Trustee for the benefit of the Debenture Holders, if required.

- Permitted Indebtedness

In addition to existing loans/ indebtedness, the Issuer shall be entitled, from time to time, to undertake further borrowings or incur further indebtedness in any manner as deemed fit by it in its discretion, without consent of or notice to the Debenture Holders, or any of them and/or the Debenture Trustee, including by issuance of debentures, bonds, loans, inter-corporate deposits, borrowings and/or indebtedness by or under co-acceptances and/or guarantees, and/or any other means as deemed fit by it, and on such terms as deemed fit by it, including on interest/ coupon rate, tenor, ranking, etc., and from any Person as deemed fit by it, whether its affiliates, banks, insurance companies, foreign sources, whether in rupee or in USD or in any other currency.

It is hereby clarified that:

- no consent is required from the Debenture Holders/Debenture Trustee for availing additional financial indebtedness which is not intended to be secured by security interest over the assets which have been charged for securing the Debentures;
- no consent is required from the Debenture Holders/Debenture Trustee for creating any security interest on the Issuer's other assets which have not been charged for securing the Debentures; and
- no consent is required for creating of security over the Encumbered Assets for securing any additional indebtedness, if the Security Cover is maintained and there is no Event of Default is as on the date of such security creation.

- Permitted Security Interest

The security interest created in favor of the Debenture Trustee for the benefit of the Debenture Holders over the Encumbered Assets shall, subject to claims which have been provided statutory or regulatory preferences or are accorded preference/ equivalence in terms of bankruptcy, insolvency, liquidation or other similar laws of general application, continue to be at least first ranking and the claims of the Debenture Holders are not at any time lower than the claims of any secured creditor of the Issuer having an Encumbrance on the Encumbered Assets. It is specifically understood that

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the Encumbered Assets can be subject to Permitted Security Interest.

Further to Permitted Indebtedness above and Permitted Security Interest, the Encumbered Assets can be offered as security for the further borrowings/ indebtedness of the Issuer on either a pari passu basis or on a subordinate basis or on any other ranking or contingency as deemed fit by it in its discretion, without prior consent of the Debenture Trustee, subject to the Security Cover being available and no Event of Default continuing under the terms of the Debenture Documents, the Debentures and any other loans/ debentures (if any) of the Company to be secured on the basis of security interest/ charge over the Encumbered Assets ranking pari passu with the security interest/ charge created/ to be created over the Encumbered Assets for the Debentures.

The Debenture Trustee is entitled to and shall from time to time, as required to or demanded by the Issuer, issue such releases, no-objection certificates or charge sharing and/or ceding letters, without further recourse to or approval from the Debenture Holders or any of them.

The Debenture Trustee shall cooperate with the Issuer with respect to any Encumbrance proposed to be created by the Issuer over the Encumbered Assets including by way of executing such further documents or deeds or consents as may be reasonably required by the Issuer for creating a Permitted Security Interest including execution of any inter-creditor or security sharing arrangements.

- Tax Deduction at Source; Tax Gross Up; Set-off

The Issuer shall not gross-up or increase any payment to be made on account of a tax deduction/withholding required under applicable Law.

None of the Debenture Trustee, Issuer, and Debenture Holders shall have any set off rights against the other.

- Manner and Place of Payments

Except to the extent otherwise provided herein, all payments to be made by the Issuer to the Debenture Holders in terms of the Debenture Documents shall be made directly to the Debenture Holders at their respective lending/payment offices, as notified by the Debenture Holders/Debenture Trustee to the Issuer at the time of becoming a Debenture Holder or such other place or such other account as notified by the Debenture Trustee to the Issuer in writing from time to time but in any case no later than the Record Date for the relevant Debenture Payment Date. Such payments shall be made by telegraphic transfer or real time gross settlement (RTGS) or national electronic funds transfer (NEFT) to the account of the Debenture Holders or by a payable- at-par cheque/bank draft drawn in favour of the Debenture Holders, on a scheduled bank at the city in which the respective lending/payment office of the Debenture Holders, or such other office as notified in accordance with this clause, is situated.

- Terms of Debenture Documents

The provisions of this Placement Memorandum and the covenants, undertakings, representations and disclosures made by the Issuer under this Placement Memorandum shall be supplemental / in addition to the obligations, undertakings, covenants, representations etc. of the Issuer incorporated under the other Debenture Documents.

- Depository Arrangements

The Issuer has appointed Kfin Technologies Private Limited as Registrars and Transfer Agent for the present Issue. The Issuer has made / shall make (as per the terms of the Debenture Documents) necessary depository arrangements with NSDL and CDSL for issue and holding of Debentures in dematerialized form. Investors can hold the debentures only in dematerialised form and deal with

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the same as per the provisions of Depositories Act, 1996 as amended from time to time. The Depository Participant's name, DP-ID and beneficiary account number must be mentioned at the appropriate place in the Application Form. The Issuer shall take necessary steps to credit the Debentures allotted to the depository account of the Debenture Holder.

- Disclaimer in respect of jurisdiction

This Issue is made in India to investors who shall be specifically approached by the Company. This Placement Memorandum does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any Person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts as specified in the Debenture Trust Deed. This Disclosure Document does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any Person to whom it is unlawful to make an offer or invitation in such jurisdiction. No action is being taken to permit an offering of the Debentures or the distribution of this Placement Memorandum in any jurisdiction where such action is required. The distribution of this Placement Memorandum and the offering and sale of the Debentures may be restricted by law in certain jurisdictions. Persons into whose possession this Placement Memorandum comes are required to inform themselves about and to observe any such restrictions.

- Other Consents

CATALYST Trusteeship Ltd. (formerly known as GDA Trusteeship Limited) has given its written consent dated September 17, 2021 for its appointment as Debenture Trustee to the Issue and inclusion of its name in the form and context in which it appears in this Placement Memorandum/Disclosure Document.

- Force Majeure

The Issuer reserves the right to withdraw the issue prior to the Deemed Date of Allotment in the event of any unforeseen development adversely affecting the economic and regulatory environment. The Issuer reserves the right to change the issue schedule.

- Breach of Covenant by Issuer may be Waived

The Debenture Trustee may, at any time, after obtaining the consent of the Majority Debenture Holders, waive on such terms and conditions as to them shall seem expedient any breach by the Issuer of any of the covenants and provisions in the Debenture Documents without prejudice to the rights of the Debenture Trustee in respect of any subsequent breach thereof. Provided however that where the Debenture Trustee determines such breach to be of a formal, negligible, minor or technical nature, the Debenture Trustee may, at any time, without prejudice to the rights of the Debenture Trustee in respect of any subsequent breach thereof, waive on such terms and conditions as it shall deem expedient any such breach by the Issuer.

MATERIAL DOCUMENTS

Copies of the following documents may be inspected at the registered office of the Company from 11:00 am to 1:00 pm on any working day (Monday to Friday) until the date of closing of this Issue:

1. Certified true copy of the Certificate of Incorporation of the Company dated 30/06/1989
2. Certificate of Registration No. B-07-00565 dated November 14, 2019 issued by RBI, under section 45IA of the Reserve Bank of India Act, 1934.
3. Certified copies of Board Resolutions and Borrowing Committee Resolutions dated March 19, 2021 and September 23, 2021 respectively authorizing Issue of Debentures offered under terms of this Placement Memorandum and other relevant Debenture Documents and the list of authorized signatories.
4. Certified true copy of the Memorandum and Articles of the Company.
5. Certified true copy of the resolution of the shareholders of the Issuer passed on April 19, 2021
6. Copy of the consent letter from Catalyst Trusteeship Limited for acting as Debenture Trustee for and on behalf of the holder(s) of the Debentures.
7. Copy of the letter dated September 16, 2021 from CRISIL conveying the credit rating for the Debentures of the Company.
8. Copy of the letter dated September 17, 2021 from CARE conveying the credit rating for the Debentures of the Company.
9. Copy of the draft Debenture Trustee Agreement.
10. Copy of the draft Debenture Trust Deed.
11. Copy of the draft Deed of Hypothecation.
12. Listing Agreement between the Issuer and the BSE Limited

(1) **UNDERTAKING ON CREATION OF SECURITY**

All the assets on which charge is created to meet the hundred percent security cover are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a first, second or pari-passu charge on the assets of the issuer has been obtained from the earlier creditors to whom the assets are charged, prior to creation of charge.

(2) **DISCLOSURES PURSUANT TO THE SEBI DUE DILIGENCE CIRCULAR**

(a) **Details of assets, movable property and immovable property on which charge is proposed to be created**

A first ranking, pari passu and continuing charge on the loans/receivables and advances made by the Company which are classified as standard assets in accordance with applicable regulations of the RBI i.e. a first priority hypothecation on a floating charge basis to be shared pari passu with existing lenders and debenture holders (as applicable) as provided in the Deed of Hypothecation excluding any non-performing assets as categorized in accordance with the relevant guidelines issued by Reserve Bank of India from time to time with an asset cover of 1.25 times of the principal outstanding, and subject to Permitted Security Interest.

(b) **Copy of evidence of registration with Sub-registrar, Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI) etc.**

The details of the charge created over the movable assets comprising receivables from loans provided by the Issuer over which security is proposed to be created by the Issuer under the Deed of Hypothecation will be reported to the relevant registrar of companies and the Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI) within the timelines prescribed under Applicable Law. As the charge is being created over movable assets, no filings are required to be made with the any sub-registrar.

(c) **Any other information, documents or records required by debenture trustee with regard to creation of security and perfection of security:**

Nil

(d) **Declaration:** The Issuer declares that debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

(e) **Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s):** Debenture Trustee Agreement (DTA) has been executed as per required regulations before opening of Issue. Service charges of Debenture Trustee are mentioned in the consent letter.

(f) **Process of due diligence carried out by the debenture trustee:** The Debenture Trustee has carried out Due Diligence (DD) in accordance with the manner prescribed in the SEBI circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 on "Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)" and circulars issued by SEBI from time to time, which broadly includes following:

Placement Memorandum cum PAS – 4

- Chartered Accountant (CA) appointed by DT will be doing independent DD as per scope provided, regarding Security given for the issue by the company.
 - CA will verify and ensure that the asset provided by the issuer for creation of security are free from any encumbrances or necessary permission or consent has been obtained from existing charge holders.
 - CA will be doing independent DD as per information provided by the Issuer Company.
 - Periodical DD will be carried out as per SEBI circulars from time to time as per nature of security provided.
 - Necessary DD certificate will be issued and will be available on Stock Exchanges from time to time for information of DHs.
 - *As mentioned in this IM even though debt securities are secured to the extent of 100% of the principal and interest amount or as per the terms of offer document/ Placement Memorandum, in favor of Debenture Trustee, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.*
 - DD will be carried out for maintenance of security cover depending on information provided by the issuer company and CA appointed by DT or DT himself will not be responsible for misinformation provided by Issuer Company.
- (g) **Due diligence certificate as per the format specified in Schedule IV of the Debt Listing Regulations:** Enclosed as Annexure 11.

DECLARATION BY THE DIRECTOR IN THE FORMAT PROVIDED UNDER PAS-4

The Issuer has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act, 2013 (collectively the “Act”) and the rules and regulations made thereunder;

- (b) The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government;
- (c) the monies received under the offer shall be used only for the purposes and objects indicated in the Placement Memorandum;

I am authorized by the board of Directors of the Issuer by dated March 24, 2021 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. The Placement Memorandum contains full disclosures in accordance with the SEBI Non-Convertible Securities Regulations issued vide Circular No. LAD-NRO/GN/2021/39 dated August 9, 2021, as amended from time to time. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association. It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

A copy of the board resolution dated March 19, 2021 authorizing the issuance of the Debentures is attached as Annexure 9.

A copy of the shareholders resolution dated April 19, 2021 authorizing the issuance of the Debentures is attached as Annexure 10.

For **KKR INDIA ASSET FINANCE LIMITED**

Director

ANNEXURE 1 | CONSENT LETTER FROM DEBENTURE TRUSTEE

CATALYST
 Believe in yourself... Trust us!



CL/MUM/21-22/DEB/460

17-Sept-2021

Mr. Rakesh Bajaj

KKR India Asset Finance Limited
 2nd Floor, Piramal Tower,
 Peninsula Corporate Park,
 Ganapat Rao Kadam Marg,
 Lower Parel (west), Mumbai- 400013.

Dear Sir,

Consent to act as Trustee for Secured, Listed, Rated, Redeemable, Non-Convertible Debentures of INR 75 Crores with an option to retain oversubscription of INR 75 Crores aggregating upto INR 150 Crores to be issued by your Company

This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited to act as Debenture Trustee for the Secured, Listed, Rated, Redeemable non-convertible debentures of INR 75 Crores with an option to retain oversubscription of INR 75 Crores aggregating upto INR 150 Crores to be issued by your Company. In this connection, we are agreeable to act as Trustee on the terms and conditions as mutually agreed between the Trustee and the Company.

We hereby convey our acceptance to act as Debenture Trustees for the said issue Debentures, subject to execution of Debenture Trustee Agreement as per Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993, thereby agreeing to create the security within the timeline as per relevant Laws / Regulations and in the Offer Document / Information Memorandum / Disclosure Document and company agreeing / undertaking to comply with the provisions of SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, Companies Act, 2013 and Rules thereunder and other applicable laws as amended from time to time.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Yours faithfully,
 For Catalyst Trusteeship Limited

Authorised Signatory

We accept the above terms
 KKR India Asset Finance Limited

Rakesh Bajaj Digitally signed by Rakesh Bajaj

Authorised Signatory

NOTE: As per GST guidelines, CTL would be required to pay the applicable GST on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.



ANNEXURE 2 | RATING LETTER FROM CRISIL

Ratings



CONFIDENTIAL

RL/KIAFPL/275956/NCD/0821/15642/81087025/1
 September 16, 2021

Mr. Anil Nagu
 Chief Financial Officer
 KKR India Asset Finance Limited
 2nd floor, Piramal Tower, Peninsula Corporate Park,
 Ganpatrao Kadam Marg,
 Lower Parel (W),
 Mumbai City - 400013

Dear Mr. Anil Nagu,

Re: CRISIL Rating on the Rs.836 Crore Non Convertible Debentures of KKR India Asset Finance Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.
 Please refer to our rating letters dated August 16, 2021 bearing Ref. nos: RL/KIAFPL/275956/NCD/0821/15642/81087025

Please find in the table below the ratings outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	836	CRISIL AA/Stable

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

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unaavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Rahul Malik
 Associate Director - CRISIL Ratings

Nivedita Shibu
 Associate Director - CRISIL Ratings



Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpline at CRISILratings@crisil.com or at 1800-267-1301.

CRISIL Ratings Limited
 (A subsidiary of CRISIL Limited)
 Corporate Identity Number: U67100MH2019PLC326247

Registered Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076. Phone: +91 22 3342 3000 | Fax: +91 22 3342 3001
www.crisilratings.com

Ratings

CRISIL Ratings Limited (A subsidiary of CRISIL Limited)



Rating Rationale

August 13, 2021 | Mumbai

KKR India Asset Finance Limited

Rating Reaffirmed; CP Withdrawn

Rating Action

Total Bank Loan Facilities Rated	Rs.4550 Crore
Long Term Rating	CRISIL AA/Stable (Reaffirmed)
Rs.836 Crore (Reduced from Rs.1000 Crore) Non Convertible Debentures	CRISIL AA/Stable (Reaffirmed)
Rs.500 Crore Commercial Paper	CRISIL A1+ (Withdrawn)

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has reaffirmed its CRISIL AA/Stable/CRISIL A1+ rating on the bank facilities and debt instruments of KKR India Asset Finance Limited (KIAFL). CRISIL Ratings has also withdrawn its rating on the Commercial Paper (CP) of Rs.500 crore based on request from KIAFL as there is no outstanding CP. (See Annexure 'Details of Rating Withdrawn' for details). The Withdrawal is in line with CRISIL Ratings policy.

CRISIL Ratings on the bank loans and debt instruments of KIAFL continue to factor in the strong linkages with, and high strategic importance to, its ultimate parent KKR & Co Inc (KKR; rated 'A/Stable' by S&P Global Ratings [S&P Global]). CRISIL also believes that the shared brand with complete management control creates a strong moral obligation to provide timely financial support, in case of any exigencies. The ratings also factor in the comfortable capitalisation metrics marked by low leverage. However, with a significant proportion of the book under moratorium and amidst the current macroeconomic environment, asset quality pressures could manifest as the book seasons which remains a key monitorable. CRISIL also notes that of the current portfolio which is still under contractual moratorium, around 50% of these borrowers have prepaid Rs 4.14 billion to the Company since inception of these loans.

KIAFL had an outstanding loan book of around Rs 3424 crores as on March 31, 2021, compared to Rs 3971 crore as on March 31, 2020. Amidst the weak economic environment and pandemic challenges, the loan book has de-grown by 13.75%. The concentration in the portfolio remained high with the top 10 borrower groups constituting around 71% of the loan book as on Mar 31, 2021. This was also reflected in the asset quality metrics with slippage of one account resulting in reported GNPA increasing to 6.79% as on March 31, 2021 (Nil as on March 31, 2020). Even in terms of non-NPA overdues, there were few accounts which had slipped and were reflective in the 30+ dpd and 60+ dpd buckets. However, the company subsequently received payments from them and they were made regular in April 2021 and July 2021 month. Collection efficiency of the company (after including prepayments which are inherent to this asset class) for the month of April 2021 and May 2021 stood at 193% and 212%, respectively.

On the funding side, the company has managed to raise around Rs 550 crores in fiscal 2021 through traditional bank lines. In the first quarter of fiscal 2022, it additionally raised Rs 225 crore of NCD and a bank loan of Rs 200 crore.

Analytical Approach

The ratings centrally factor in the strategic importance of KIAFL to KKR & Co Inc (KKR; rated 'A/Stable' by S&P Global Ratings [S&P Global]). This is because of the strategic importance of the entity to KKR, shared brand, strong operational linkages and complete management control. CRISIL also believes that the shared brand creates a strong moral obligation to provide timely financial support, both on an ongoing basis and in the event of distress.

Key Rating Drivers & Detailed Description

Strengths:

- **Expectation of strong support from KKR**

The ratings are underpinned by the expectation of strong support from KKR, despite the relatively low shareholding of 9.7% in KIAFL as on March 31, 2021. This is due to the strategic importance of the real estate credit business in India, complete management control over KIAFL, the strong operational linkages with KKR, and the shared brand name.

KIAFL is KKR's real estate credit vehicle in India and is aligned with the parent's global strategies for scaling up the real estate business globally and in Asia. KKR offers real estate solutions across the globe. Real estate investment is a key focus area for KKR, with a dedicated team formed in 2011. The global real estate business has scaled up. India, as a market, is unique in the KKR ecosystem in terms of use of a permanent non-banking financial company (NBFC) model for the credit business, as well as in terms of the breadth of product offerings.

While KKR holds only 9.7% in KIAFL, it has complete management and board control over the latter. Importantly, KKR's equity contribution of USD 23.23 million (Rs 165.9[1] crore) in KIAFL has been infused directly from KKR's balance sheet, and not from funds managed by it. The remaining equity stake is held by leading global limited partners (LPs; or partner-investors in KKR's funds), and an Indian high-networth individual, who have collectively infused equity of USD 221.87 million (around Rs 1584.61 crore) in KIAFL. CRISIL believes KKR will retain its management control over KIAFL.

KIAFL's operations are closely integrated with KKR's Indian and global operations. KKR has senior level representation on the investment and portfolio management committees of the subsidiary who provide necessary guidance, KIAFL also benefits from the parent's global compliance, finance, and risk management systems and processes, and derives synergistic benefits from KKR's private equity and NBFC business in India and leverages all existing client relationships. KIAFL is part of the common platform comprising KKR's private equity, fund management, capital market, and NBFC businesses in India, and derives synergies, especially in deal sourcing and client relationships.

CRISIL believes the shared brand implies a strong moral obligation on KKR to support KIAFL. Any material disruption in KIAFL's business could have a significant impact on KKR's reputation and franchise, and could potentially impede the parent's ability to raise funds from external investors for its managed funds globally.

CRISIL believes KIAFL will benefit from its high strategic importance to KKR and that the parent will take adequate measures to ensure that KIAFL meets all its obligations on time. Any change in the management control by, or expectation of support from, KKR is a key rating sensitivity factor for KIAFL.

- **Comfortable capitalisation**

Capitalisation metrics continue to remain comfortable with networth at Rs 2127 crore and gearing of 1.0 times as on Mar 31, 2021 (Rs 2082 crore and 1.0 times, respectively, as on March 31, 2020). The company has a conservative leverage philosophy, with gearing likely to remain below 3 times over the medium term. This is in line with the company's policy of maintaining low leverage. KIAFL's Tier I and overall capital adequacy ratio (CAR) was healthy at 55.22% and 56.60% as on Mar 31, 2021 (46.17% and 46.78% as on March 31, 2020). The comfortable capitalisation cushions the company against asset quality challenges inherent in the business.

Weaknesses:

- **Vulnerable asset quality and impact on profitability**

The asset quality metrics for KIAFL have increased in fiscal 2021 with reported GNPA at 6.79% as on March 31, 2021 as against nil as on March 31, 2020. Even in terms of non-NPA overdue, there were few accounts which had slipped and were reflective in the 30+ dpd and 60+ dpd buckets. However, the company subsequently received payments from them and they were regular in April 2021 and July 2021 month. The increase in GNPA was due to slippage in one account which received last mile funding from SWAMIH fund and later was sold by the company to an ARC. Further, in line with regulations, the company extended the date for commencement of commercial operations (DCCO) for a few borrowers aggregating to 38% of loan book as on March 31, 2021. Collection efficiencies for the company which were impacted during the initial months of the lockdown last fiscal, had started to inch up till March 31, 2021. However, amidst the second Covid-19 wave and its resultant lockdowns, collection efficiencies have been impacted in the month of April 2021 and May 2021. But company has also seen an improvement in collection efficiency in the month of June 2021. CRISIL also notes that the company have demonstrated their ability to recover from accounts and monetize assets as it continued to receive prepayments even during this period. Prepayments from April 2020 to June 2021 stood at Rs 805.55 crore which includes principal as well as interest component and contributed to the overall collection efficiency. Collection efficiency for the month of April 2021 and May 2021 stood at 76% and 53%, respectively. However with prepayments included it increased to 193% and 212%, respectively, during the same month. There has been no restructuring done under RBI permitted one-time restructuring scheme 1.0 and 2.0. CRISIL believes the ability of the company to manage collections and asset quality during pandemic will remain a key monitorable. The impact of the third wave of the pandemic, if and when it comes in terms of its spread, intensity and duration will also bear watching.

Profitability continues to remain moderate with conservative provisioning on accounts which were sold to ARC and incremental provisioning on accounts due to COVID 19. The RoA for the company stood at 1.1% for fiscal 2021 compared to % 1.13% for fiscal 2020. Amidst the elevated provisioning, credit costs stood at 3.7% (includes net loss on fair value change, expected credit loss provision and net loss on de-recognition of financial instrument) for the company. Earnings remains susceptible to elevated credit costs in the event of slippages and will be a key monitorable

- **Modest scale of operations**

KIAFL's scale of operations remains modest. KKR's real estate credit platform began operations in India in 2016. KIAFL had an outstanding loan book of around Rs 3424 crores as on Mar 31, 2021, compared to Rs 3971 crore as on March 31, 2020. Amidst the weak economic environment and pandemic challenges, the loan book has de-grown by 13.75%. The concentration in the portfolio remained high with the top 10 borrower groups constituting around 71% of the loan book as on Mar 31, 2021. Ability to scale up operations while managing high business risks over economic cycles will be demonstrated only over the medium term.

^[1] Exchange rate: 1 USD=71.42 INR

Liquidity: Strong

Liquidity profile of the company remains adequate. Asset liability maturity (ALM) profile for KIAFL is adequate with cumulative positive gaps in upto the 1 year bucket as per the ALM profile as on Mar 31, 2021. As on May 31, 2021, the company had total debt repayments (with interest) of Rs 314.96 crore till November 2021. Against this, they had cash and

equivalents of Rs 936,25 crore, KIAFL's ability to raise incremental resources regularly at optimal costs and maintain its liquidity buffer remains a key monitorable.

Outlook: Stable

CRISIL believes KIAFL will remain strategically important to KKR over the medium term, with the parent maintaining complete management control. KIAFL will continue to derive operational, management and financial support from KKR. The company is likely to maintain comfortable capitalisation, which will partially offset the inherent asset quality challenges.

Rating Sensitivity factors

Upward Factors

- Sustained asset quality metrics with no inch up of stressed assets translating into comfortable earnings profile.
- Capitalisation metrics continuing to remain comfortable with gearing remaining under 3 times on a steady state basis.

Downward Factors

- Downward revision in S&P Global's rating on KKR & Co Inc.
- Material change in KIAFL's strategic importance to, or the company's linkages with KKR & Co Inc.
- Deterioration in asset quality (after factoring in restructuring, security receipts and write-offs).
- Challenges in raising funds from diversified sources on regular basis and at optimal rates
- Weakening of capitalisation metrics with gearing inching beyond 4 times for an extended period of time

About the Company

KIAFL is a non-deposit taking, systemically important NBFC. It provides real estate credit financing. As on March 31, 2021, KKR held 9.7% stake while the other shareholders held 90.3% stake in KIAFL. KKR holds complete operational/managerial control over the entity.

For fiscal 2021, KIAFL had profit after tax (PAT) of ~Rs 45 crore and total income of Rs 469 crore, against a profit of Rs 48 crore and total income of Rs 493 crore for fiscal 2020.

Key Financial Indicators

As on / for the first half/for the year ended		Mar 31, 2021	Mar 31, 2020	Mar 31, 2019
Total Assets	Rs crore	4,304	4,214	4,026
Total income	Rs crore	469	493	446
Profit after tax	Rs crore	45	48	164
Gross NPA	%	6.79	Nil	Nil
Gearing	Times	1.0	1.0	0.97
Return on assets	%	1.1	1.2	5.2

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings' complexity levels are assigned to various types of financial instruments. The CRISIL Ratings' complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL Ratings' complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments,

Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs Cr)	Complexity levels	Rating Outstanding with Outlook
NA	Term Loan-1	NA	NA	28-Apr-22	175	NA	CRISIL AA/Stable
NA	Term Loan-2	NA	NA	09-May-22	300	NA	CRISIL AA/Stable
NA	Term Loan-3	NA	NA	23-Aug-23	400	NA	CRISIL AA/Stable
NA	Term Loan-4	NA	NA	29-Jun-22	480	NA	CRISIL AA/Stable
NA	Term Loan-5	NA	NA	17-Mar-22	350	NA	CRISIL AA/Stable
NA	Term Loan-6	NA	NA	08-Jan-24	500	NA	CRISIL AA/Stable
NA	Term Loan-7	NA	NA	19-Jul-24	75	NA	CRISIL AA/Stable
NA	Term Loan-8	NA	NA	08-Mar-24	125	NA	CRISIL AA/Stable
NA	Term Loan-9	NA	NA	08-Aug-24	50	NA	CRISIL AA/Stable
NA	Term Loan-10	NA	NA	Feb-25	300	NA	CRISIL AA/Stable
NA	Term Loan-11	NA	NA	Jan-26	250	NA	CRISIL AA/Stable
NA	Term Loan-12	NA	NA	Jun-26	200	NA	CRISIL AA/Stable
NA	Term Loan-13	NA	NA	Jul-26	200	NA	CRISIL AA/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	N.A	1145	NA	CRISIL AA/Stable
NA	Debenture ^A	NA	NA	N.A	836	Simple	CRISIL AA/Stable

^Ayet to be issued

Annexure - Details of Rating Withdrawn

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs Cr)	Complexity levels
NA	Commercial Paper	NA	NA	7-365 Days	500	Simple

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2021 (History)		2020		2019		2018		Start of 2018
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	4550.0	CRISIL AA/Stable	03-05-21	CRISIL AA/Stable	08-10-20	CRISIL AA/Stable	18-10-19	CRISIL AA/Stable	08-10-18	CRISIL AA/Stable	CRISIL AA/Stable
			-	12-02-21	CRISIL AA/Stable	10-07-20	CRISIL AA/Stable	01-04-19	CRISIL AA/Stable	23-01-18	CRISIL AA/Stable	-
			-	-	-	-	07-01-19	CRISIL AA/Stable	05-01-18	CRISIL AA/Stable	-	
Commercial Paper	ST	500.0	Withdrawn	03-05-21	CRISIL A1+	08-10-20	CRISIL A1+	18-10-19	CRISIL A1+	08-10-18	CRISIL A1+	-
			-	12-02-21	CRISIL A1+	10-07-20	CRISIL A1+	01-04-19	CRISIL A1+	23-01-18	CRISIL A1+	-
			-	-	-	-	07-01-19	CRISIL A1+	05-01-18	CRISIL A1+	-	
Non Convertible Debentures	LT	836.0	CRISIL AA/Stable	03-05-21	CRISIL AA/Stable	08-10-20	CRISIL AA/Stable	18-10-19	CRISIL AA/Stable	-	-	-
			-	12-02-21	CRISIL AA/Stable	10-07-20	CRISIL AA/Stable	01-04-19	CRISIL AA/Stable	-	-	-
			-	-	-	-	07-01-19	CRISIL AA/Stable	-	-	-	

All amounts are in Rs. Cr.

Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	Amount (Rs.Crore)	Rating	Facility	Amount (Rs.Crore)	Rating
Proposed Long Term Bank Loan Facility	1145	CRISIL AA/Stable	Proposed Long Term Bank Loan Facility	1345	CRISIL AA/Stable
Term Loan	3405	CRISIL AA/Stable	Term Loan	3205	CRISIL AA/Stable
Total	4550	-	Total	4550	-

Criteria Details

Links to related criteria
CRISIL's Bank Loan Ratings - process, scale and default recognition
Rating Criteria for Finance Companies
Mapping global scale ratings onto CRISIL scale
Criteria for Notching up Stand Alone Ratings of Companies based on Parent Support

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Note for Media:

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ANNEXURE 3 | RATING LETTER FROM CARE



No. CARE/HO/RL/2021-22/2304

Shri Rakesh Bajaj
 Chief Financial Officer
 KKR India Asset Finance Limited
 2nd Floor, Piramal Tower,
 Peninsula Corporate Park,
 Ganpatrao Kadam Marg,
 Lower Parel, Mumbai,
 Maharashtra 400013.

September 17, 2021

Confidential

Dear Sir,

Credit rating for Non-Convertible Debentures

Please refer to our letter no. CARE/HO/RL/2020-21/4907 dated March 30, 2021 and your request for revalidation of the rating assigned to the Non-Convertible Debentures of your company, for a limit of Rs.1,000.00 crore.

2. Our Rating Committee has reviewed the following rating(s):

Sr. No.	Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
1.	Non Convertible Debentures	1,000.00	CARE AA; Stable (Double A; Outlook: Stable)	Reaffirmed
	Total Instruments	1,000.00 (Rs. One Thousand Crore Only)		

- Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter.
- Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

¹ Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

CARE Ratings Ltd.

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400022.
 Tel: +91-22-67543456 • Fax: +91-22-02267543457 • www.careratings.com • CIN-L67190MH1993PLC071691



Instrument type	ISIN	Issue Size (Rs cr.)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Trustee/IPA	Details of top 10 investors
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5. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
6. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
7. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
8. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
9. CARE ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

CARE Ratings Ltd.

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Thanking you,

Yours faithfully,

Bhavik Mayur Shah
Analyst
bhavik.shah@careratings.com

Aditya R Acharekar
Associate Director
aditya.acharekar@careratings.com

Encl.: As above

Disclaimer

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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KKR India Asset Finance Limited

March 30, 2021

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Non-Convertible Debentures	1000.00 (Rs. One thousand crore only)	CARE AA; Stable (Double A; Outlook: Stable)	Assigned

Detailed Rationale & Key Rating Drivers

The rating assigned to the Non-Convertible Debentures of KKR India Asset Finance Limited (KIAFL or the Company) factors in the strength derived from strong linkages and strategic importance of KIAFL to the KKR Group, shared brand identity, complete management control, governance by the KKR Group and expectation of timely financial support from shareholders in case of stress. The rating also factors in comfortable capitalisation levels with moderate leverage, moderate profitability and comfortable liquidity profile of the Company.

The ratings remained constrained by high exposure to the risky real estate sector along with relatively higher borrower concentration in the loan book and relatively modest scale of operations.

Key Rating Sensitivities:

Positive Sensitivities: Factors that could lead to positive rating action/ upgrade

- Substantial scale up of operations with continued strong capitalisation and leverage of <1x along with maintaining healthy asset quality
- Improvement in profitability with ROTA in excess of 2% on a sustained basis
- Reduction in portfolio concentration

Negative Sensitivities: Factors that could lead to negative rating action/ downgrade

- Deterioration in credit profile of parent KKR & Co. Inc
- Material change in the strategic importance of KIAFL or weakening of linkages with the parent group
- Substantial deterioration in asset quality with Net NPA ratio of over 5% thereby impacting profitability

Detailed description of the key rating drivers

Key Ratings Strength

Strong linkages with the KKR Group in terms of shared brand identity, governance, complete management control and expected support from shareholders in case of stress

KKR Group owns an effective 9.6% of KIAFL and acts like a fund manager to an offshore fund structure where other shareholders like GIC (57.3%) and Townsend- AON Group (22.8%) are invested via the fund structure. NJRN Family Trust has shareholding amounting to 10.23% at the onshore KIAFL level.

KKR Group is leading global investment firm that manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate, credit, through its strategic partners and hedge funds. Globally, KKR operates through three primary business lines: private markets, public markets and capital markets.

Although, KKR Group has limited shareholding of ~10%, it has complete control over the management and acts as the fund-manager to an off-shore fund structure with other strong investors like GIC (Singapore) and Townsend.

The Company follows appropriate governance policies established by the KKR Group and Global real estate management team provides their inputs highlighting its close bond. The Company derives benefits such as brand identity, origination, due diligence and risk management practices, and operational expertise from the KKR Group.

Experienced management

KIAFL is completely managed by KKR Group and management team in place led by Mr. Yeshwant Nadkarni (ED & CEO) who has over 20 years of experience in real estate financing. He is assisted by a strong and experienced team that is also supported by KKR's global real estate senior members who are investment committee members for KIAFL.

Comfortable capitalization levels with moderate leverage

The Company is at comfortably capitalization levels with total CAR at 55.36% (March 31, 2020: 46.78%) and Tier-I CAR at 54.14% (March 31, 2020: 46.17%) as on February 28, 2021 with moderate overall gearing at 1.02 times (March 31, 2020:

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Press Release



1.04 times) as on February 28, 2021. The Company plans to increase its leverage to 2 - 2.5 times with plans to grow its managed portfolio. CARE believes the Company has sufficient capital to absorb potential losses from vulnerable assets in the near term.

Moderate profitability

The Company remains profitable over a period of last 4 years. The Company reported a 10.52% increase in its total income to Rs.493 crore during FY20 supported by 24.07% y-o-y increase in interest income to Rs.483 crore. But net interest income has declined by 2% to Rs.276 crore due to significant increase of 92% in interest expense to Rs.207.4 crore. The operating expenses has also increased 32.30% to Rs.51.24 crore due to increase in legal and professional charges and constitutes 33% of operating expenses. Accordingly, the Company has reported a 21.72% decline in pre-provisioning operating profit to Rs.234.18 crore (excl. net loss on fair valuation of Rs.103.81 crore). The provisioning expense remains stable at Rs.67 crore. Accordingly, the Company has reported a 70.74% decline in Profit after Tax (PAT) to Rs.48 crore as against Rs.164 crore during FY19. KIAFL's Return on Total Assets (ROTA) declined from 5.1% during FY19 to 1.15% during FY20.

Key Ratings Weakness

High exposure to real estate sector along with relatively higher borrower concentration which may be vulnerable to high provisioning in case of slippages

The Company reported Nil Gross NPA as of date but remains vulnerable to massive concentration in exposure as it focuses on large ticket size loans to real estate developers, a sector, which has been under a considerable stress for some time now due back-to-back blows by demonetisation, GST, strict RERA guidelines, high interest rate loans and current Covid-19 situation. The Company has over 60% exposure to top-10 borrowers indicating high concentration.

The Company's asset book has been under stress as the assets classified as Stage-2 has seen a 3-fold increase to Rs.481 crore as on March 31, 2020 even as the Company has a strong risk-management and monitoring team. The Company had about 78% of its portfolio under moratorium as on August 31, 2020 but has still managed good collections backed by pre-payments received from developers and its cash balance has jumped to Rs.666 crore as on February 28, 2021 from Rs.167 crore as on March 31, 2020.

The Company reportedly transferred one of its asset to an Asset Reconstruction Company for resolutions at a haircut during FY19 and also reported a non-performing asset during FY20, which was resolved during the year itself as the borrower started repaying its dues.

The Company's earnings can be under stress in case of any slippages as the provisioning coverage on stage 2 assets remains at 24% as on February 28, 2021.

Modest scale of operations

KIAFL has modest scale of operations as compared to some of its larger peers in the segment. KIAFL has started full-fledged operation from FY16 and has been able to ramp-up assets under management at a CAGR of 70% to Rs.3,961 crore as on March 31, 2020. The Company's ability to further scale up with impeccable asset quality remains a key rating sensitivity. However, compared to some its larger peers in the sector, the Company operates largely in the construction finance segment and project finance segment with Tier 1 and 2 developers in metro cities with complete control over the cash flows of the project via escrow account and does not take FSI entitlement risk. It also has a very high threshold for JDA/SRA projects due to the nature of these projects and the underlying risk. All loans extended by the Company usually have a principle moratorium period of 1.5-2 years provided for construction period post which the repayments are amortizing in the nature providing stable cash flows from the receivables of the projects. The Company follows a policy wherein in it collects monthly or quarterly interest payments from day 1 with a considerable part of the portfolio being fully cash pay, which places the nature of these loans and NCDs in a moderate risk criteria.

Liquidity Profile: Comfortable

The Company's liquidity profile as on February 28, 2021 has no negative mismatches in any of the time buckets supported by a large cash balance of Rs.666 crore as on February 28, 2021. The Company also has sanctioned undrawn bank lines of Rs.100 crore. The Company's had healthy collections in fiscal 2021 in spite of covid due to prepayments and sell downs of assets, which resulted in the cash balance increasing to comfortable levels.

Analytical approach - CARE has analysed the standalone profile of KIAFL and has factored in the strategic importance of KIAFL to KKR & Co. considering the shared corporate identity and brand along with operational and managerial control.

Press Release



Applicable Criteria

- [CARE's Policy on Default Recognition](#)
- [Financial Ratios – Financial Sector](#)
- [Rating Methodology: Notching by factoring linkages in Ratings](#)
- [Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)
- [Rating Methodology - Non Banking Finance Companies \(NBFCs\)](#)

About the Company:

KKR India Asset Finance Limited (KIAFL), was originally incorporated as a private limited company on June 30, 1989 as 'Motichand Finance Private Limited' under the provisions of the Companies Act, 1956. During FY14, KKR Group acquired majority shareholding in the Company and the Company was issued fresh Certificate of Incorporation as 'KKR India Asset Finance Private Limited' on March 19, 2014. The Company was converted into a public limited company and its name was changed to 'KKR India Asset Finance Limited' on May 16, 2019. KIAFL is registered with the Reserve Bank of India (RBI) as a non-deposit taking, systemically important Non-Banking Financial Company (NBFC) as defined in 'Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015', issued by the Reserve Bank of India.

The Company provides senior secured lending to real estate projects in India (construction financing and structured bespoke financing solutions) across asset classes including residential and commercial real estate. The Company targets mid-market segment in tier-I cities with major focus on Mumbai, Pune and Bangalore. The Company has high threshold for projects with JDAs and does not take any FSI entitlement risk. The target Loan to Value ratio is between 50-65%. Since 2015, the Company has originated around 43 deals aggregating ~Rs.12,250 crore and has exited 9 deals aggregating ~Rs.1,555 crore as on December 31, 2020, the Company's loan portfolio stood at Rs.3,582 crore constituting construction financing to real estate developers.

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total income	446	493
PAT	164	48
Total Assets^	4,065	4,281
Net NPA (%)	0	0
ROTA (%)	5.1	1.15

A – Audited, ^: Net of Intangible Assets, Revaluation Reserve & Deferred Tax Assets (DTA)

Note: The calculations are as per CARE Ratings' calculation

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Non-Convertible Debentures	Proposed	-	-	-	1000.00	CARE AA; Stable

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Type	Current Ratings		Rating history			
			Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Non-Convertible Debentures	LT	1000.00	CARE AA; Stable	-	-	-	-

Press Release



Annexure 3: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Non-Convertible Debentures	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

ANNEXURE 4 | APPLICATION FORM

APPLICATION FORM No: (-)



APPLICATION FORM FOR _____ DEBENTURES

KKR INDIA ASSET FINANCE LIMITED

Registered Office: Regus Citi Centre, Level 6, 10/11, Dr. Radhakrishna Salai, Chennai - 600 004, Tamil Nadu, India

Tel: +91 4355 1300 **Fax:** +91 4355 1301 **Email:** kkrindia@kk.com

PRIVATE PLACEMENT OF LISTED, REDEEMABLE, RATED, SECURED, NON-CONVERTIBLE DEBENTURES

Having read and understood the terms and conditions for the private placement as provided in the Placement Memorandum dated 23 September 2021 we apply for allotment to us of the listed fully redeemable rated secured non-convertible debentures of face value Rs. 10,00,000 (Rupees Ten Lakhs only) with a base issue size of Rs. 75,00,00,000 (Rupees Seventy Five Crores) with an option of oversubscription of upto Rs. 75,00,00,000 (Rupees Seventy Five Crores) aggregating upto Rs. 15,00,000,000 (Rupees One Hundred Fifty Crores only) (“**Debentures**”) to be allotted. We bind ourselves to the terms and conditions of the Placement Memorandum. We note that the Board of Directors is entitled in its absolute discretion to accept or reject this application whole or in part without assigning any reason whatsoever.

I / We irrevocably note and acknowledge the appointment of Catalyst Trusteeship Limited as a Debenture Trustee and give my/ our authority and consent to the Debenture Trustee for doing such acts and signing such documents to carry their duties in such capacity.

I agree and acknowledge that this application form has been specifically delivered to me and I cannot transfer and/or provide this form to any other person save and except with your consent.

(PLEASE READ THE INSTRUCTIONS CAREFULLY BEFORE FILLING THIS FORM)

No. of Debentures applied for (in words)	
No. of Debentures applied for (in figures)	
Amount (Rs.) (in words)	
Amount (Rs.) (in figures)	
Details of the Scheme	
Payment Details	Bank Name:
	Cheque Number:
	Date:
	Date:

DP Name.....
DP-ID.....
Client ID

Acknowledgment Slip

KKR INDIA ASSET FINANCE LIMITED

Registered Office: Regus Citi Centre, Level 6, 10/11, Dr. Radhakrishna Salai, Chennai - 600 004, Tamil Nadu, India

Tel: +91 4355 1300 **Fax:** +91 4355 1301 **Email:** kkrindia@kkr.com

Received From M/s Address	Unlisted Fully Redeemable Rated Secured Non-Convertible Debentures maturing November 19, 2020		
	No. of Debentures	Amount in Rs.	Signature
	Cheque No.	Date	
	Drawn on (Name of the Bank and Branch)		

SIGNATORIES (TO BE SIGNED BY THE APPLICANTS / AUTHORISED SIGNATORIES)

	Sole/First Applicant	Second Applicant	Third Applicant
Name of the Applicant(s) / Authorized Signatories			
Status / Designation			
Signature			

Place:

Date:

INSTRUCTIONS FOR APPLICATIONS

"Applicants are advised to read the Placement Memorandum dated 23 September 2021 carefully in order to satisfy themselves before making an application for subscription. For a copy of the Placement Memorandum, the applicant may request the Issuer Company".

- 1) Application Form must be completed in **BLOCK LETTERS IN ENGLISH**. A blank space must be left between two or more parts of the name. For example

A	B	C	D		W	X	Y	Z											
---	---	---	---	--	---	---	---	---	--	--	--	--	--	--	--	--	--	--	--

- 2) Signatures should be made in English / Hindi. Signatures made in any other Indian language must be attested by an authorized official of a Bank or by a Magistrate / Notary Public under his / her official seal.
- 3) Applications can be made in single or joint names (not more than three); in case of joint names, all payments will be made out in favour the applicant whose name appears first in the application form; all notices, correspondence and communication will be addressed to the first applicant.
- 4) The payment can be made **ONLY** through demand draft or cheque or electronic transfer drawn or made payable in favour of KKR India Asset Finance Limited and should be crossed "account payee only".
- 5) Cash, Outstation Cheques, Money Orders or Postal Orders will **NOT** be accepted.
- 6) As a matter of precaution against possible frauds all interest and other payments shall only be made through RTGS or electronic funds transfer as per the terms provided in the Application Form. Cheques will only be issued and mailed to the address linked to the demat in case the bank details are wrongly mentioned in the form above. **No interest shall be earned on any unpaid sums to the Debenture Holder if any sums have remained unpaid due to details of the account in which the funds have to be transferred not been available or being incorrect.**
- 7) Income Tax as applicable will be deducted at source, as applicable, at the time of payment of any monies. Those who are eligible and desirous of claiming exemptions of tax under Income Tax Act, 1961 are required to submit form 15G or the relevant certificate issued by the Income-Tax Officer along with the Application Form.
- 8) **The following documents (attested by Company Secretary / directors/ partner) must be lodged along with the application.**
- Certificate of incorporation and Memorandum & Articles of Association/Trust deed
 - Resolution of the Board of Directors/trustees and identification of those who have authority to operate
 - Power of attorney granted to transact business on behalf of the principal (if applicable)
 - Any officially valid document to identify the trustees, settlers, beneficiaries and those holding Power of Attorney
 - Resolution of the managing body of the foundation/association
 - Certificate of registration
 - Telephone Bill
 - PAN (otherwise exemption certificate issued by IT authorities)
 - Certified Copy of the registered instrument for the creation of such trust (applicable only to Trust and registered societies)

Placement Memorandum cum PAS – 4

- (j) DP ID, Client ID, DP name
 - (k) Form 15AA granting exemption from tax deductible at source on interest
 - (l) Form 15H for claiming exemption from tax deductible at source on interest on application money, if any (if applicable)
 - (m) Order under Section 197 of the Income Tax Act, 1961 (if applicable)
 - (n) Order under Section 10 of the Income Tax Act, 1961 (*if applicable*).
- 9) Please give the Complete Bank details like Bank Account Number, IFSC Code, Name of the Bank and Branch in the Column for Bank details.
- 10) The applications would be scrutinized and accepted as per the provisions of the terms and conditions of the Private Placement, and as prescribed under applicable statutes / guidelines etc. The Company is entitled, at its sole and absolute discretion, to accept or reject any application, in part or in full, without assigning any reason whatsoever. An application form, which is not complete in any respect, is liable to be rejected.
- 11) All future communication should be addressed to the Registered Office of the Company addressed to the “Directors”.
- 12) In case of applications made by mutual funds, only through an asset management company a separate application must be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications will not be treated as multiple applications, provided that the application made by the asset management company/ trustees/ custodian clearly indicate their intention as to the scheme for which the application has been made.
- 13) The attention of applicants is drawn to Section 38 (1) of the Companies Act, 2013 which is reproduced below:
- Any person who:
- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
 - (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
 - (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.
- 14) The applicant represents and confirms that it has understood the terms and conditions of the Debentures and is authorized and eligible to accept and invest in the same and perform any obligations in relation to such investment.
- 15) The board of directors reserves the full and unconditional right to accept or reject an application in full or part without assigning reasons thereof.

ANNEXURE 5 | RELATED PARTIES AND RELATED PARTY TRANSACTION

For year ended March 31, 2021

<u>Related party transactions</u>			
A .Details of related parties			
Names of related parties	Description of Relationship		
KKR India Asset Investments Pte. Ltd	Holding Company		
KKR Asset Manager Private India Limited	Wholly Owned Subsidiary Company		
Mr. Yeshwant Nadkarni	Key Managerial Personnel (Executive Director and Chief Executive Officer)		
Mr. Jigar Shah	Key Managerial Personnel (Non-Executive Director)		
Mr. Karthik Krishna	Key Managerial Personnel (Independent Director w.e.f. March 24, 2020)		
Ms. Anita Arjundas	Key Managerial Personnel (Independent Director w.e.f. July 20, 2020)		
Ms. Simrata Gujral	Key Managerial Personnel (Non-Executive Director w.e.f. September 14, 2020)		
			(Rs. In Million)
B. Related party transactions	Holding Company	Wholly subsidiary Company	Key Management Personnel
Description of transaction:			
Investment in Equity Shares			
KKR India Asset Manager Private Ltd	-	5.00	-
Remuneration to Key Managerial personnel			
Mr. Yeshwant Nadkarni	-	-	74.29
Sitting Fees			
Mr. Karthik Krishna	-	-	1.10
Ms. Anita Arjundas	-	-	0.60
Consultant Fees			
Ms. Simrata Gujral	-	-	6.71

Placement Memorandum cum PAS – 4

			(Rs. In Million)
C. Related party balances as at March 31, 2021	Holding Company	Wholly subsidiary Company	Key Management Personnel
Equity Share Capital:			
KKR India Asset Investments Pte. Ltd.	2,721.08	-	-
Investment in Equity Shares:			
KKR India Asset Manager Private Ltd	-	7.50	-
Payable			
Mr. Karthik Krishna	-	-	0.40
Ms. Anita Arjundas	-	-	0.40
Ms. Simrata Gujral	-	-	1.10

For year ended March 31, 2020

<u>Related party transactions</u>			
A .Details of related parties			
Names of related parties	Description of Relationship		
KKR India Asset Investments Pte. Ltd	Holding Company		
KKR India Asset Manager Private Limited	Wholly Owned Subsidiary Company		
Mr. Naozad Sirwalla	Key Managerial Personnel (Upto June 28, 2019)		
Mr. Yeshwant Nadkarni	Key Managerial Personnel		
Mr. Jigar Shah	Key Managerial Personnel (w.e.f. June 28, 2019)		
Mr. Ashish Khandelia	Key Managerial Personnel (Upto June 28, 2018)		
			(Rs. In Million)
B. Related party transactions	Holding Company	Wholly subsidiary Company	Key Management Personnel
Description of transaction:			
Remuneration to Key Managerial personnel			
Mr. Yeshwant Nadkarni	-	-	71.89

Placement Memorandum cum PAS – 4

			(Rs. In Million)
C. Related party balances as at March 31, 2020	Holding Company	Wholly subsidiary Company	Key Management Personnel
Equity Share Capital:			
KKR India Asset Investments Pte. Ltd.	2,721.08	-	-
Investment in Equity Shares:			
KKR India Asset Manager Private Limited	-	2.50	-

For year ended March 31, 2019

Related party transactions			
A .Details of related parties			
Names of related parties	Description of Relationship		
KKR India Asset Investments Pte. Ltd	Holding Company		
KKR India Asset Manager Private Limited	Wholly Subsidiary Company		
Mr. Naozad Sirwalla	Key Managerial Personnel		
Mr. Yeshwant Nadkarni	Key Managerial Personnel (w.e.f. May 14, 2018)		
Mr. Ashish Khandelia	Key Managerial Personnel (Upto June 28, 2018)		
			(Rs. In Million)
B. Related party transactions	Holding Company	Wholly subsidiary Company	Key Management Personnel
Description of transaction:			
Investment in Equity Shares :			
KKR India Asset Manager Private Limited	-	2.50	-
Reimbursement of expenses:			
KKR India Asset Investments Pte. Ltd	6.08	-	-
Remuneration to Key Managerial personnel			

Placement Memorandum cum PAS – 4

Mr. Ashish Khandelia	-	-	18.53
Mr. Yeshwant Nadkarni	-	-	55.38
			(Rs. In Million)
C. Related party balances as at March 31, 2019	Holding Company	Wholly subsidiary Company	Key Management Personnel
Equity Share Capital:			
KKR India Asset Investments Pte. Ltd.	2,721.08	-	-
Payables:			
KKR India Asset Investments Pte. Ltd	6.08	-	-
Investment in Equity Shares:			
KKR India Asset Manager Private Limited	-	2.50	-

ANNEXURE 6 | PROFIT STATEMENT

Statement giving profits for the three financial years

(Rs in Million)

Profit & Loss Account

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Income			
Revenue from operations	4,683.78	4,926.27	4,459.14
Other income	10.12	1.97	-
Total	4,693.90	4,928.24	4,459.14
Expenditure			
Finance cost	1,881.22	2,073.99	1,080.19
Net loss on fair value changes	532.88	1,038.09	-
Impairment on financial instruments (Expected credit loss)	598.71	671.57	61.90
Employee benefit expenses	314.73	288.71	253.32
Depreciation and amortization	24.05	16.85	0.76
Other operating expenses	724.46	206.79	737.68
Total	4,076.05	4,296.00	2,133.85
Profit before taxation	617.85	632.24	2,325.29
Provision for taxation			
Current tax	357.65	579.91	612.95
Deferred tax liability/(Asset)	(191.90)	(426.28)	72.19
Income tax of earlier years	-	(1.29)	-
Total tax expense/(income)	165.75	152.34	685.14
Profit after tax	452.10	479.90	1,640.15

Placement Memorandum cum PAS – 4

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss - Remeasurement of defined benefit plans	(0.43)	(0.60)	(0.68)
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.11	0.15	0.20
Other Comprehensive Income	(0.32)	(0.45)	(0.48)
Total comprehensive income (V+VI)	451.78	479.45	1,639.67
Earnings per equity share			
Basic (₹)	14.92	15.83	54.11
Diluted (₹)	14.92	15.83	54.11

ANNEXURE 7 | FINANCIAL POSITION

Financial position for the three financial years

(Rs. In Million)

Balance Sheet

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
ASSETS			
Financial assets			
Cash and cash equivalents	7,902.43	1,676.44	2,725.92
Trade Receivables	-	1.07	1.59
Loans	31,422.39	36,618.65	34,579.24
Investments	2,813.85	3,089.97	2,769.19
Other financial assets	117.96	67.46	5.46
Total Financial Assets	42,256.63	41,453.59	40,081.40
Non-Financial assets			
Current tax assets (Net)	109.14	202.92	164.41
Deferred tax assets (Net)	570.77	378.76	-
Property, plant and equipment	50.66	64.38	2.67
Intangible asset	6.67	12.45	-
Capital work-in-progress	5.74	3.36	14.40
Other non-financial assets	45.64	22.76	1.51
Total Non-Financial Assets	788.62	684.63	182.99
Total Assets	43,045.25	42,138.22	40,264.39

Placement Memorandum cum PAS – 4

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
EQUITY AND LIABILITIES			
LIABILITIES			
Financial Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	56.30	51.18	40.21
Borrowings	21,579.37	21,154.87	19,798.60
Other financial liabilities	65.46	82.32	14.43
Total Financial Liabilities	21,701.13	21,288.37	19,853.24
Non-Financial Liabilities			
Current tax liabilities (Net)	14.00	15.03	14.00
Deferred tax liabilities (net)		-	47.67
Provisions	19.71	13.73	7.91
Other non-financial liabilities	43.54	6.00	5.93
Total Non-Financial Liabilities	77.25	34.76	75.51
Total liabilities	21,778.38	21,323.13	19,928.75
EQUITY			
Equity Share Capital	3,031.15	3,031.15	3,031.15
Other equity	18,235.72	17,783.94	17,304.49
Total equity	21,266.87	20,815.09	20,335.64
Total equity and liabilities	43,045.25	42,138.22	40,264.39

ANNEXURE 8 | CASH FLOW STATEMENT

(Rs in Million)

Cash Flow Statement

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2019
A. Cash flow from Operating Activities			
Profit before taxes	617.85	632.24	2,325.29
Adjustments to reconcile profit before tax to net cash flows			
Depreciation and amortization	24.05	16.85	0.76
Impairment on financial instruments (Expected Credit Loss)	598.71	671.57	61.90
Net loss / (gain) on fair value changes	532.88	1,038.09	(400.71)
Provision for employee benefits	5.55	5.82	(0.05)
Finance Cost	-	-	1,080.19
Operating profit before working capital changes	1,779.04	2,364.57	3,067.38
Working capital changes			
Decrease/ (Increase) in loans to corporates and others	4,335.74	(3,419.75)	(12,550.81)
Decrease / (Increase) in investments	10.05	(650.70)	(1,425.36)
Decrease/ (Increase) in trade receivables	1.07	0.52	(0.29)
Increase in other financial assets	(50.50)	(62.00)	(0.98)
Decrease / Increase in other non-financial assets	(25.31)	(21.25)	(0.32)
Decrease / Increase in trade and other payables	5.12	10.97	0.61
Decrease / Increase in other financial liabilities	(6.97)	15.90	11.98

Placement Memorandum cum PAS – 4

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2019
Increase /(decrease) in other non-financial liabilities	37.54	0.07	(16.31)
Cash flows from / (used in) operating activities	6,085.78	(1,761.67)	(10,914.10)
Income tax paid	(264.90)	(616.10)	(756.63)
Net cash flows used in operating activities	5,820.88	(2,377.77)	(11,670.73)
Investing activities			
Purchase of property plant and equipment (including Capital work-in-progress)	(3.60)	(5.12)	(16.88)
Purchase of intangible asset	(0.90)	(18.67)	-
Investment in subsidiary company	(5.00)	-	(2.50)
Net cash flows used in investing activities	(9.50)	(23.79)	(19.38)
Financing activities			
Borrowings taken (Net)	424.50	1,356.27	15,161.42
Repayment of lease liability	(9.89)	(4.19)	-
Finance Cost	-	-	(1,079.66)
Net cash from (used in) / from financing activities	414.61	1,352.08	14,081.76
Net increase / (decrease) in cash & cash equivalents	6,225.99	(1,049.48)	2,391.65
Cash and Cash Equivalents as at the beginning of the year	1,676.44	2,725.92	334.27
Cash and Cash Equivalents as at the end of the year	7,902.43	1,676.44	2,725.92

ANNEXURE 9 | BOARD RESOLUTION AUTHORIZING THE ISSUE



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF KKR INDIA ASSET FINANCE LIMITED (ERSTWHILE KKR INDIA ASSET FINANCE PRIVATE LIMITED) HELD THROUGH VIDEO CONFERENCING ON FRIDAY, MARCH 19, 2021 AT 2ND FLOOR, PIRAMAL TOWER, PENINSULA CORPORATE PARK, GANPATRAO KADAM ROAD, LOWER PAREL (W), MUMBAI 400 013, INDIA

Issuance of Non – Convertible Debentures through Private Placement

“RESOLVED THAT pursuant to the provisions of Section 42, Section 71, Section 179, Section 180 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014 (the “Act”) and the directions issued by the Reserve Bank of India (including any statutory modification(s) or enactment(s) thereof, for the time being in force) and such other rules, regulations, guidelines and acts, as may be applicable to the Company from time to time and subject to the approval of the Shareholders in the general meeting, the approval of the Board of the Directors of the Company (“Board”) be and is hereby accorded to make offer(s) or invitation(s) to subscribe, issue and allot secured/unsecured, listed/unlisted, redeemable non-convertible debentures (“NCDs”) through private placement, in one or more series or tranches, for an aggregate amount not exceeding INR 1,500 crore (Rupees One Thousand Five Hundred crore only), , from time to time, to such banks, qualified institutional buyers, alternative investment funds, mutual funds, financial institutions, foreign portfolio investors, companies, body corporates, provident funds, superannuation funds, gratuity funds, or insurance companies whose names are recorded by the Company prior to the invitation to subscribe and to create security, including but not limited to by way of first ranking pari-passu charge over the standard loan receivables, immovable property(if any), or any other asset of the Company, upon such terms and conditions as the Board (including the Borrowing Committee of the Board) may in its absolute discretion deem fit and proper.

RESOLVED FURTHER THAT the Company do enter into an arrangement with National Securities Depository Limited and/or Central Depository Services (India) Limited for dematerialization of Debentures.

RESOLVED FURTHER THAT the consent of the Board be and is hereby granted to the Borrowing Committee to:

- a. finalise the terms and conditions of the NCDs issuance including but not limited to the subscriber(s) to the issue(s), the face value of NCDs to be issued, the price at which NCDs will be issued, coupon rate, redemption period, utilization of issue proceeds, security and all other matters connected therewith and incidental thereto;

KKR India Asset Finance Limited (erstwhile KKR India Asset Finance Private Limited)

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Registered Office: Regus Citi Centre, Level 6, 10/ 11 Dr. Radhakrishna Salai, Chennai, Tamil Nadu – 600 004, India

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CIN U65191TN1989PLC017616

- b. to allot secured/unsecured, listed/unlisted, redeemable non-convertible debentures (“NCDs”) through private placement, in one or more series or tranches, for an aggregate amount not exceeding INR 1,500 crore (Rupees One Thousand Five Hundred crore only), , from time to time;
- c. to create mortgage, charge and/or hypothecation, as may be necessary on the assets of the Company, both present and in future, in such manner, in favour of the financial institutions, investment institutions and/or their subsidiaries, banks and other bodies corporate and trustees for the holders of NCD, such that the outstanding amount of NCD at any point of time does not exceed INR 1,500 crore, payable by the Company to the trustees under the trust deed and/or to the lending agencies under their respective offer document/information memorandum/disclosure document/debenture trust deeds to be entered into by the Company in respect of such issuance of NCD;
- d. to finalise and furnish the various debenture documents including the debenture trust deed, the deed of hypothecation, debenture trustee agreement, the information memorandum and such other agreements, indentures, addendums, deeds, documents, writings, undertakings, indemnity, certificates, as may be necessary or required by the debenture holders/debenture trustee, or otherwise in connection with the transactions related to the issuance of Debentures and requirements under the debenture documents;
- e. to settle a trust in favour of the debenture trustee and enter into and execute the debenture trust deed and the debenture trustee agreements;
- f. to appoint legal advisor, debenture trustee, registrar and transfer agent and other intermediaries for Debentures issuance and determine the actual quantum and structure of fees payable to them and other issue related expenses;
- g. to accept any amendments or modifications to any agreements, deeds, documents, undertakings, indemnity and other writings, including acknowledgement of debt / balance / security confirmation(s) and/or any renewal documents, as and when necessary;
- h. to authorise officials of the Company to do all such acts, matters, deeds and things that may be necessary in connection with the above including sign any declaration(s), information memorandum/private placement offer letter/offer document and sign and execute all deeds, documents and writings that may be required to be signed for and on behalf of the Company for the aforesaid NCDs issuance and execute the various debenture documents including the debenture trust deed, the deed of hypothecation, debenture trustee agreement, the information memorandum and such other agreements, indentures, addendums, deeds, documents, writings, undertakings, indemnity, certificates, forms and applications for opening, operation and closing of bank accounts, as may be necessary or required by the debenture

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holders/debenture trustee, or otherwise in connection with the transactions related to the issuance of NCDs and requirements under the debenture documents as finalized by the Borrowing Committee;

- i. do all such acts, matters, deeds and things that may be necessary in connection with the above and do whatever is necessary or incidental to.

RESOLVED FURTHER THAT each of the Directors of the Company, be and are hereby severally authorized to sign any declaration(s), information memorandum/private placement offer letter/offer document and sign and execute all deeds, documents and writings that may be required to be signed for and on behalf of the Company for the aforesaid NCDs issuance and execute the various debenture documents including the debenture trust deed, the deed of hypothecation, debenture trustee agreement, the information memorandum and such other agreements, indentures, addendums, deeds, documents, writings, undertakings, indemnity, certificates, forms and applications for opening, operation and closing of bank accounts, as may be necessary or required by the debenture holders/debenture trustee, or otherwise in connection with the transactions related to the issuance of NCDs and requirements under the debenture documents as finalized by the Borrowing Committee.

RESOLVED FURTHER THAT this resolution shall be effective for a period of one year from the date of its approval by the shareholders.

RESOLVED FURTHER THAT any Directors of the Company, be and are hereby severally authorized to do all acts, things and deeds necessary to give effect to the aforesaid resolution, including filing of forms with the Registrar of Companies."

Certified True Copy
For KKR India Asset Finance Limited

YESHWANT Digitally signed by
BANKHANDRA YESHWANT
NADKARNI BANKHANDRA
NADKARNI NADKARNI

Yeshwant Nadkarni
Executive Director and Chief Executive Officer
DIN: 02782082
Date: April 7, 2021

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CERTIFIED TRUE COPY OF THE CIRCULAR RESOLUTION PASSED BY THE BORROWING COMMITTEE OF KKR INDIA ASSET FINANCE LIMITED ON SEPTEMBER 23, 2021

ISSUE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT

"**RESOLVED THAT** pursuant to section 179 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Securities and Exchange Board Of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, and other applicable SEBI regulations and guidelines and such other applicable laws, rules, regulations and guidelines, approval of the members at the Extraordinary General Meeting held on April 19, 2021 and approval granted by Board of Directors of the Company at its meetings held on March 19, 2021, consent of the Members of the Borrowing Committee be and is hereby accorded to offer, issue and allot listed, secured, rated, redeemable, non- convertible debentures ("Debentures") on private placement of face value of Rs. 10,00,000 (Rupees Ten Lakhs) each with a base issue size of upto Rs. 75,00,00,000 (Rupees Seventy Five Crores) with an option to retain oversubscription of upto Rs. 75,00,00,000 (Rupees Seventy Five Crores), together aggregating upto Rs. 150,00,00,000 (Rupees One Hundred Fifty Crores only) to qualified institutional buyers on such terms and conditions as mentioned in the draft term sheet and Information Memorandum.

RESOLVED FURTHER THAT the Company do enter into an arrangement with National Securities Depository limited and/or Central Depository Services (India) Limited for dematerialization of Debentures.

RESOLVED FURTHER THAT Mr. Yeshwant Nadkarni, Mr. Anil Nagu, Mr. Rakesh Bajaj, and/or Mr. Karan Bhutani ("Authorized Officers") be and are hereby severally authorized to do all the attendant formalities pertaining to issue of Debentures including:

- decide, negotiate and finalise the terms and conditions of the Debentures issuance including but not limited to the size and timing of the issue, the number of tranches or series, the deemed date of allotment, stock exchange(s) or any other regulatory authority;
- execute all disclosure documents, application forms and such other documents and comply with all other formalities and requirements by the Stock Exchange in connection with enlistment of Debentures and Electronic Bidding Platform;
- settle a trust in favour of the debenture trustee and enter into and execute the debenture trust deed and the debenture trustee agreements;
- appoint legal advisor, debenture trustee, registrar and transfer agent, valuer and other intermediaries for Debentures issuance and determine the actual quantum and structure of fees payable to them and other issue related expenses;
- sign any declaration(s), information memorandum/private placement offer letter/offer document and sign and execute all deeds, documents and writings that may be required to be signed for and on behalf of the Company for the aforesaid Debentures issuance and the aforesaid Authorized Officers are severally authorized to finalise and execute / furnish the various debenture documents including the debenture trust deed, the deed of hypothecation, debenture trustee agreement, the information memorandum and such other agreements, indentures, addendums, deeds, documents, writings, undertakings, indemnity, certificates, forms and applications for opening, operation and closing of bank accounts, as may be necessary or required by the debenture holders/debenture trustee, or otherwise in connection with the transactions related to the issuance of Debentures and requirements under the debenture documents, and accept and execute any amendments or modifications to any agreements, deeds, documents, undertakings, indemnity and other writings, including

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acknowledgement of debt / balance / security confirmation(s) and/or any renewal documents, as and when necessary; and

- do all such acts, matters, deeds and things that may be necessary in connection with the above and do whatever is necessary or incidental to, for giving effect to this Resolution.

RESOLVED FURTHER THAT the Company do create such security, including security over its investments, standard loan receivables, cash flows, fixed deposits and other moveable properties in favour of the debenture trustee by way of execution of the debenture trust deed, deed of hypothecation or such other documents, deeds, indentures or undertakings, as may be required in this regard and any one of the Authorised Officers be and are hereby authorized to severally negotiate, finalise, approve and accept all terms and sign all such documents, deeds, undertakings, indentures, etc.

RESOLVED FURTHER THAT any one of the Authorised Officers be and are hereby authorized severally to open and operate the bank accounts, including any escrow accounts, if required to be established and maintained in connection with the proposed issue on behalf of the Company and to issue instructions in respect of the same as may be required in connection with the proposed issue of Debentures.

RESOLVED FURTHER THAT any Authorised Officers be and are hereby severally authorized to file necessary forms including particulars with the Registrar of Companies and other regulatory bodies, as may be required and to do all such things, acts and deeds which may be necessary for giving effect to this Resolution.”

CERTIFIED TRUE COPY
For **KKR India Asset Finance Limited**

Rakesh Bajaj Digitally signed
by Rakesh Bajaj

Rakesh Bajaj
Whole Time Director and Chief Financial Officer
DIN: 08957166
Date: September 23, 2021
Place: Mumbai

KKR India Asset Finance Limited

Corporate Office: 2nd Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Road,
Lower Parel (W), Mumbai 400 013, India
Registered Office: Regus Citi Centre, Level 6, 10/ 11 Dr. Radhakrishna Salai, Chennai,
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CIN U65191TN1989PLC017616

Placement Memorandum cum PAS – 4

ANNEXURE 10 | SHAREHOLDERS RESOLUTION AUTHORIZING THE ISSUE

KKR Kohlberg Kravis Roberts

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE EXTRAORDINARY GENERAL MEETING (MEETING NO. 01/2021-22) OF THE MEMBERS OF KKR INDIA ASSET FINANCE LIMITED HELD ON MONDAY, APRIL 19, 2021 AT 2ND FLOOR, PIRAMAL TOWER, PENINSULA CORPORATE PARK, GANPATRAO KADAM MARG, LOWER PAREL (W), MUMBAI 400 013, INDIA AT 4.00 P.M. THROUGH VIDEO CONFERENCING (“VC”)

ISSUANCE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS

“RESOLVED THAT pursuant to the provisions of Section 42, Section 71, Section 179, Section 180 and all other applicable provisions of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or enactment(s) thereof, for the time being in force) (the “Act”) and such other rules, regulations, guidelines and acts, as may be applicable to the Company from time to time, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) to create / offer / issue / allot up to such number of redeemable non-convertible debentures (“NCDs”) through private placement, in one or more modes or combinations thereof and in one or more series or tranches, with or without security and on such terms and conditions as may be determined by the Board including but not limited to the subscriber(s) to the issue(s), the face value of NCDs to be issued, the price at which NCDs will be issued, coupon rate, redemption period, utilization of issue proceeds and all other matters connected therewith and incidental thereto, such that the aggregate amount of such NCDs does not exceed INR 1,500 crore (Rupees One Thousand Five Hundred crore only), during the period of one year from the date of passing this Resolution, and that the said borrowing shall be within the overall borrowing limits of the Company as may be approved by the Members from time-to-time.”

RESOLVED FURTHER THAT the Board be and is hereby severally authorized to do all such acts, deeds, matters and things, execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary expedient, proper or desirable to give full effect to the aforesaid resolution, in the interest of the Company and with power on behalf of the Company, and to settle all questions, difficulties or doubts that may arise in connection with the issue of NCDs under private placement at any stage without requiring the Board to secure any further consent or approval of the Members of the Company.”

Certified True Copy
 For KKR India Asset Finance Limited

YESHWANT
 RAMCHANDR
 A NADKARNI

Digitally signed
 by YESHWANT
 RAMCHANDR
 A NADKARNI

Yeshwant Nadkarni
 Executive Director and Chief Executive Officer
 DIN: 02782082
 Date: April 21, 2021
 Place: Bangalore

KKR India Asset Finance Limited (erstwhile KKR India Asset Finance Private Limited)

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 CIN U65191TN1989PLC017616

CERTIFIED TRUE COPY OF THE EXPLANATORY STATEMENT FORMING PART OF THE NOTICE OF EXTRAORDINARY GENERAL MEETING (MEETING NO. 01/2021-22) OF THE MEMBERS OF KKR INDIA ASSET FINANCE LIMITED HELD ON MONDAY, APRIL 19, 2021 AT 2ND FLOOR, PIRAMAL TOWER, PENINSULA CORPORATE PARK, GANPATRAO KADAM MARG, LOWER PAREL (W), MUMBAI 400 013, INDIA AT 4:00 P.M. THROUGH VIDEO CONFERENCING (“VC”)

In view of the funding requirements as per the business plan, the Board of Directors of the Company at its meeting held on March 19, 2021, has approved raising of funds through issuance of Non-Convertible Debenture.

Accordingly, in terms of the provisions of Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, the Company offering or making an invitation to subscribe to NCD on a private placement basis, is required to obtain the prior approval of the members by way of a Special Resolution, which can be obtained once a year for all the offers and invitations during the year.

Further, the disclosures with respect to Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, are mentioned below:

Particulars of the offer including the date of the passing of the Board resolution	Issuance of Non-Convertible Debentures for an amount not exceeding INR 1,500 crore (Rupees One Thousand Five Hundred crore only), in one or more tranches on private placement basis on such terms and condition as may be determined and approved by the Board (including any Committees of the Board as may be authorized by the Board) Date of Board Meeting: March 19, 2021
Kinds of securities offered	Non-Convertible Debentures
Basis or justification for the price (including the premium, if any) at which the offer or invitations is being made	Price for each offer/issuance of non-convertible debentures will be determined and approved by the Board (including any Committees of the Board as may be authorized by the Board) based on the market conditions
Name and address of valuer who performed valuation	Not applicable
Amount which the company intends to raise by way of such securities	Not exceeding INR 1,500 crore (Rupees One Thousand Five Hundred crore only) on private placement basis, in one or more tranches

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Material terms of raising such securities	Material terms of each offer/issuance of non-convertible debenture will be determined and approved by the Board (including any Committees of the Board as may be authorized by the Board)
Proposed time schedule	Time schedule of each offer/issue of non-convertible debenture will be determined and approved by the Board (including any Committees of the Board as may be authorized by the Board)
Purpose or objects of offer	Purpose or objects of each offer/issue of non-convertible debenture will be determined and approved by the Board (including any Committees of the Board as may be authorized by the Board)
Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects	None
Principle terms of assets charged as securities	Principle of terms of assets being charged as securities for each offer/issuance of non-convertible debentures will be determined and approved by the Board (including any Committees of the Board as may be authorized by the Board)

It may be noted that the previous Special Resolution was passed by the members at an Extraordinary General Meeting held on April 17, 2020 and the period of one year expires on April 16, 2021.

In this regard, it is proposed to seek approval of the members of the Company by way of a Special Resolution for offering or making an invitation to subscribe to NCDs on a private placement basis up to an amount not exceeding INR 1,500 crore (Rupees One Thousand Five Hundred crore only) in one or more tranches for a period of one year from the date of passing of this resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested (financial or otherwise) in passing of the resolution set out at Item No. 1.

Certified True Copy
 For **KKR India Asset Finance Limited**

TESTIMONY
 SAKSHI INDIAN
 NACKARAN Digitally signed by
 YESHWANT NADKARNI
 DN: cn=YesHWANT NADKARNI

Yeshwant Nadkarni
 Executive Director and Chief Executive Officer
 DIN: 02782082
 Date: April 21, 2021
 Place: Bangalore

KKR India Asset Finance Limited (erstwhile KKR India Asset Finance Private Limited)

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ANNEXURE 11: DUE DILIGENCE CERTIFICATE

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CTL/21-22/2635

(Annexure A)

DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE DEBENTURE TRUSTEE AT THE TIME OF FILING THE DRAFT OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM (Applicable for Secured and Unsecured Issuances)

To,
 The Manager,
 BSE Limited,
 Phiroze Jeejeebhoy Towers,
 25th Floor, Dalal Street,
 Mumbai – 400 001

Dear Sir / Madam,

SUB.: ISSUE OF FULLY REDEEMABLE RATED SECURED NON- CONVERTIBLE DEBT IN THE NATURE OF DEBENTURES OF THE FACE VALUE OF RS. 10,00,000 (RUPEES Ten Lakhs only) EACH WITH A BASE ISSUE SIZE OF UPTO RS. 75,00,00,000 (RUPEES SEVENTY FIVE CRORES ONLY) WITH AN OPTION TO RETAIN OVERSUBSCRIPTION OF UPTO RS. 75,00,00,000 (RUPEES SEVENTY FIVE CRORES ONLY) AGGREGATING UPTO RS. 150,00,00,000 (RUPEES ONE HUNDRED FIFTY CRORES ONLY) FOR A TENURE OF 10 YEARS BY KKR INDIA ASSET FINANCE LIMITED

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

- 1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
- 2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:

We confirm that:

- a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.
- b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).
- c) The Issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities.
- d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.

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- e) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.
- f) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum and given an undertaking that debenture trust deed would be executed before filing of listing application.
- g) All disclosures made in the draft offer document or private placement memorandum/ information memorandum with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

Place: Mumbai
Date: September 23, 2021

For Catalyst Trusteeship Limited
For CATALYST TRUSTEESHIP LIMITED


Authorized Signatory

Authorized Signatory