

To,
The Board of Directors,
KKR India Financial Services Limited,
2nd Floor, Piramal Towers,
Peninsula Corporate Park,
Ganpatrao Kadam Marg,
Lower Parel (W),
Mumbai 400013.

Independent Auditor's Certificate on Accounting Treatment stipulated under the proposed composite scheme of amalgamation and arrangement among Bee Finance Limited ('Transferor Company'), KKR Capital Markets India Private Limited ('Transferee Company'), KKR India Financial Services Limited ('Company' or 'Resulting Company'), and InCred Financial Services Limited ('Demerged Company') and their respective shareholders under Sections 230 to 232, 66, 234 and other applicable provisions of the Companies Act, 2013 ('Scheme').

This certificate is issued in accordance with the provisions of section 230 of the Companies Act, 2013 ('Act') read with Rule 6(3)(ix)(e) of The Companies (Compromises, Arrangements and Amalgamations) Rule, 2016 ('Rules') and in terms of our engagement letter dated August 02, 2021.

We have been requested by the Company having its registered office at 2nd Floor, Piramal Towers, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai 400013 vide letter dated August 02, 2021 to examine that the proposed accounting treatment as specified under clause 17.1 of the Scheme, whereby *inter alia* NBFC business of the Demerged Company is demerged into the Resulting Company, under Section 230 of the Act, is in compliance with the relevant standards of accounting specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015, or any other relevant or related requirements under the Act, as applicable including General Circular No. 09/2019 dated August 21, 2019 issued by Ministry of Corporate Affairs, and other generally accepted accounting principles.

Management's Responsibility for the certificate

The responsibility for the preparation of the Scheme and its compliance with relevant laws and regulations including the relevant standards of accounting specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015, or any other relevant or related requirements under the Act, as applicable and other generally accepted accounting principles as aforesaid, is that of the Management of the Company. This responsibility includes the designing, implementation and maintenance of internal control relevant to the preparation and presentation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The Management is also responsible for ensuring that the Company complies with the requirements as mentioned above and for providing all relevant information to the National Company Law Tribunal ('Tribunal') in relation to the Scheme.

Auditor's Responsibility

Pursuant to the provisions of section 230 of the Act read with the Rules made thereunder, our responsibility is to obtain reasonable assurance and form an opinion as to whether the accounting treatment as specified under clause 17.1 of the Scheme in the books of the Resulting Company is in conformity with the relevant standards of accounting specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015, or any other relevant or related requirements under the Act, as applicable and other generally accepted accounting principles.

We have examined the following documents of the Company:

- a) Accounting treatment as described in clause 17.1 of the Scheme with accounting treatment as per relevant standards of accounting specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015, or any other relevant or related requirements under the Act, as applicable and other generally accepted accounting principles.
- b) Board resolution dated September 09, 2021 approving the Scheme.

We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control 1 (SQC1), Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination and according to the information, explanations provided to us, we certify that the accounting treatment as specified under clause 17.1 of the Scheme in the books of the Resulting Company is in conformity with the relevant standards of accounting specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015, or any other relevant or related requirements under the Act, General Circular No. 09/2019 dated August 21, 2019 issued by Ministry of Corporate Affairs, as applicable, and other generally accepted accounting principles. In accordance with section 232(6) of the Act, the Company has identified April 1, 2022 as the 'Appointed Date' vide 'Definitions' covered in Part I of the Scheme.

For ease of reference, clause 17.1 and 'Appointed Date' covered in 'Definitions' in Part I of the Scheme, duly certified by Chief Financial Officer on behalf of the Company, is included in 'Annexure 1' (Attached herewith) to this certificate and is initialed by us for the purposes of identification.



MSKA

& Associates

Chartered Accountants

Restriction on Use

This certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of enabling it to comply with the provisions of Section 230 of the Act read with the rules made thereunder and for onward submission to the Tribunal at Mumbai in accordance with the Act.

It should not be used by any other person or for any other purpose. MSKA & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment.

Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

MSKA & Associates
Chartered Accountants
Firm Registration No. 105047W

Srividya Vaidison



Srividya Vaidison
Partner
Membership No.207132
UDIN: 21207132AAAABM8325

Place: Mumbai
Date: September 13, 2021

Annexure 1

Relevant extract of scheme of amalgamation and arrangement among Bee Finance Limited ('Transferor Company'), KKR Capital Markets India Private Limited ('Transferee Company'), KKR India Financial Services Limited ('Company' or 'Resulting Company'), and InCred Financial Services Limited ('Demerged Company') and their respective shareholders under Sections 230 to 232, 66, 234 and other applicable provisions of the Companies Act, 2013

PART I**DEFINITIONS, INTERPRETATIONS, SHARE CAPITAL AND OPERATION OF SCHEME****1. DEFINITIONS**

"Appointed Date" shall mean 1 April 2022, or such other date as may be agreed by the Boards of the respective Parties;

CLAUSE**17. ACCOUNTING TREATMENT**

In the books of the Resulting Company

17.1 Upon effectiveness of the Scheme and with effect from the Appointed Date, the Resulting Company will account for the demerger of the InCred Demerged Undertaking of the Demerged Company in its books of accounts using the principles laid down in Indian Accounting Standard 103 Business Combinations and other applicable accounting requirements as under:

17.1.1 The Resulting Company shall record the assets and liabilities transferred to and vested in it pertaining to the InCred Demerged Undertaking of the Demerged Company pursuant to this Scheme at the same book values as appearing in the books of the InCred Demerged Undertaking of the Demerged Company (prepared under Accounting Standards) as on the Appointed Date.

17.1.2 The Resulting Company shall recognise its assets and liabilities at fair values as on the Appointed Date. The difference between the fair value of the net assets of the Resulting Company and the consideration, calculated as per Indian Accounting Standard 103 will be recognised as goodwill/ capital reserve.

17.1.3 Further, acquisition related costs will also be accounted in accordance with the requirements of Accounting Standards.



KKR India Financial Services Limited (erstwhile KKR India Financial Services Private Limited)

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CIN U67190MH1995PLC360817

17.1.4 The consideration paid by the Transferee Company on account of demerger shall be recognised in equity as “Capital contribution from Parent” at the fair value of the CCPS issued by the Transferee Company.

For KKR India Financial Services Limited


Anil Nagu

Chief Financial Officer



KKR India Financial Services Limited (erstwhile KKR India Financial Services Private Limited)

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