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Shivsagar Estate, Dr. Annie Besant
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Nomura Capital (India) Private Limited

Registered Office: Ceejay House, 11th Level, Plot F, Shivsagar Estate Dr. Annie Besant Road, Worli
Mumbai MH 400018
CIN: U67190MH2009FTC194618

ISSUE OF COMMERCIAL PAPER AGGREGATING TO INR 50 CRORES (“COMMERCIAL PAPER”) BY NOMURA CAPITAL (INDIA) PRIVATE LIMITED (THE “ISSUER”). THE COMMERCIAL PAPER TO BE ISSUED UNDER THIS DISCLOSURE DOCUMENT WILL BE LISTED ON NATIONAL STOCK EXCHANGE OF INDIA LIMITED (THE “STOCK EXCHANGE”).

Disclosure Document**Date: February 16, 2023**

This Disclosure Document has been prepared pursuant to the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and the SEBI Circular No. SEBI/HO/DDHS/P/CIR /2021/613 dated August 10, 2021 titled “Operational Circular for issue and listing of Non-convertible Securities, Securitized Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper”, as amended or supplemented from time to time, solely in connection with the listing of the Commercial Paper and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Commercial Paper to be issued by the Issuer. This is only an information document intended for private use.

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GENERAL RISKS

Potential investors are advised to read the Disclosure Document carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The Commercial Paper has not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this document. This Disclosure Document has not been submitted, cleared or approved by SEBI.

CREDIT RATING:

IND A1+

The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning 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.

1. ISSUER DETAILS

1.1 Details of the Issuer

- (i) Name of the Issuer: Nomura Capital (India) Private Limited
Registered Office: Ceejay House, 11th Level, Plot F, Shivsagar Estate Dr. Annie Besant Road, Worli Mumbai MH 400018
CIN: U67190MH2009FTC194618
PAN: AADCN0596Q
Address: Ceejay House, 11th Level, Plot F, Shivsagar Estate Dr. Annie Besant Road, Worli Mumbai MH 400018
Phone No.: +91 022 4037 4037

Fax No.: +91 022 4037 4111

Corporate office of the Issuer:

Address: Ceejay House, 11th Level, Plot F, Shivsagar Estate Dr. Annie Besant Road, Worli Mumbai MH 400018

Phone No.: +91 022 4037 4037

Fax No.: +91 022 4037 4111

(ii) Overview and line of business:

The Issuer obtained approval from the Reserve Bank of India on April 28, 2010 to carry on permitted activities as a Non – Banking Financial Company (“NBFC”) to provide credit products to medium and large Indian corporates. The activities will be broadly covered as under:

- Loans to corporates including origination and syndication
- Structured financing (including promoter and acquisition financing)
- Investments and dealing in corporate debt securities
- Deal in / offer other credit products as may be permitted from time to time

In addition, the Issuer may carry out other activities as may be permitted from time to time for NBFCs registered with the Reserve Bank of India.

(iii) Chief Executive (~~Managing Director/President/CEO/CFO~~): CFO –Mr. Prashant Pangam

(iv) Group affiliation (if any) – The Issuer is a group company of Nomura.

1.2 Details of the Directors of the Issuer (as of February 15, 2023)

Name, Designation and DIN	Age	Address	Director of the Issuer since	List of other directorships
Vipul Jamnadas Chatwani (Designation: Director) (DIN: 00337576)	51 years	702, Narsinh Sadan, Plot 78-A, 1 st Road, Santacruz east, Mumbai-400055	04/08/2009	Nil
Arun Kumar Rajappan (Designation: Director) (DIN: 07943252)	44 years	Evelina, CHSL-2701, Hiranandani Estate, G.B. Road, Thane – 400607	28/09/2018	Nil
Swee Seng Liang (Designation: Director) (DIN: 09458400)	49 years	House 11B, Mount Sinai Lane, #03-10, Glentrees, Singapore – 277051	14/03/2022	Nil

1.3 Details of change in directors since last three financial years including any change in the current year

Name, Designation and DIN	Date of Appointment / Resignation	Date of cessation (in case of resignation)	Remarks (viz. reasons for change etc.)
Shantanu Sahai (Designation: Additional Director) (DIN: 08332575)	12/03/2019	27/09/2019	Appointment on 12/03/2019 as Additional Director and Change in designation to Director on 27/09/2019
Shantanu Sahai (Designation: Director) (DIN: 08332575)	27/09/2019	12/04/2022	Appointment on 27/09/2019 as Director and Cessation as Director on 12/04/2022
Manish Lath (Designation: Director) (DIN: 02241828)	29/08/2012	21/05/2013	Appointment as Additional Director on 29/08/2012 and change in designation to Director on 21/05/2013
Manish Lath (Designation: Director) (DIN: 02241828)	21/05/2013	30.09.2020	Appointment as Additional Director on 29/08/2012 and change in designation to Director on 21/05/2013. Cessation on 30.09.2020
Vikas Murarka (Designation: Additional Director) (DIN: 05348107)	29/08/2012	21/05/2013	Appointment as Additional Director on 29/08/2012 and change in designation to Director on 21/05/2013
Vikas Murarka (Designation: Director) (DIN: 05348107)	21/05/2013	01/09/2017	Appointment as Director on 21/05/2013 and change in designation to Whole Time Director on 01/09/2017
Vikas Murarka (Designation: Whole Time Director) (DIN: 05348107)	01/09/2017	10/12/2021	Appointment as Whole Time Director on 01/09/2017 and cessation upon resignation on 10/12/2021
Ambrish Singh (Designation: Whole-time Director) (DIN: 09336231)	30/09/2021	20/10/2022	Appointment as Whole Time Director on 30/09/2021 and cessation on 20/10/2022
Arun Kumar Rajappan (Designation: Whole-time Director) (DIN: 07943252)	28/09/2018	01/07/2021	Appointment as Whole Time Director on 28/09/2018 and change in designation as Director on 01/07/2021
Arun Kumar Rajappan	01/07/2021	-	Appointment as Director on

(Designation: Director) (DIN: 07943252)			01/07/2021
Swee Seng Liang (Designation: Additional Director) (DIN: 09458400)	14/03/2022	-	Appointment as Additional Director
Swee Seng Liang (Designation: Director) (DIN: 09458400)	14/03/2022	29/09/2022	Appointment as Additional Director on 14/03/2022 and change in designation to Director on 29/09/2022

1.4 List of top 10 holders of equity shares of the Issuer as on the latest quarter end (as of 31st December 2022)

Sr. No	Name and category of the shareholders	Total No of Equity Shares	No of shares in demat form	Total Shareholding as % of total no of equity shares
1	Nomura Asia Investment (Fixed Income) Pte. Ltd.	129,999,999	129,999,999	99.99%
2	*Nomura Asia Pacific Holdings Co. Ltd.	01	01	0.001%

*One share is held by Nomura Asia Pacific Holdings Co. Ltd. as a nominee of Nomura Asia Investment (Fixed Income) Pte. Ltd.

1.5 Details of the statutory auditor of the Issuer

Name	Address	Date of Appointment	Remarks
Price Waterhouse Chartered Accountant LLP	252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai -400028	27 September 2017	-

1.6 Details of change in statutory auditors in last three financial years including any change in the current year

Name	Address	Date of Appointment / Resignation	Date of Cessation (in case of resignation)	Remarks (viz. reasons for change etc)
NA	NA	NA	NA	NA

1.7 List of top 10 NCD holders (as of February 15, 2023)

S. No.	Name of the NCD holder	Category of NCD Holder	Face value of NCD Holdings	NCD Holdings % as a percentage of the total NCD outstanding of the Issuer
NA	NA	NA	NA	NA

1.8 List of Top 10 CP holders (as of February 15, 2023)

S. No.	Name of CP holder	Category of CP holder	Face value of CP holding	CP holding percentage as a percentage of total CP outstanding of the Issuer
NA	NA	NA	NA	NA

2. MATERIAL INFORMATION

2.1 Details of all default(s) and/ or delay in payments of interest and principal of CPs, (including technical delay), debt securities, term loans, external commercial borrowings and other financial indebtedness including corporate guarantee issued in the past 5 financial years including in the current financial year.

NIL

2.2 Ongoing and/or outstanding material litigation and regulatory strictures, if any.

NIL

2.3 Any material event/development having implications on the financials/credit quality including any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event which may affect the issue or the investor's decision to invest / continue to invest in the CP.

NIL

3. DETAILS OF BORROWINGS OF THE ISSUER, AS ON THE LATEST QUARTER END

3.1 Details of debt securities and Commercial Papers issued by the Issuer (as of February 15, 2023)

ISIN Series	Tenor / Period of Maturity	Coupon	Amount O/s	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security	Other Details viz. Details of the IPA, details of the CRA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

- 3.2 Details of secured/ unsecured loan facilities/ bank fund based facilities/ rest of the borrowing (if any, including hybrid debt like foreign currency convertible bonds (FCCB), optionally convertible debentures/ preference shares) from banks or financial institutions or financial creditor, as on last quarter end: (as of 31st December 2022)

Details of loan facilities, bank fund based facilities, other borrowings, etc.

Lender's name/ Name of the Bank	Nature of facility/ instrument	Amount sanctioned (In Cr.)	Principal Amount outstanding	Repayment date/ schedule	Security, if applicable	Credit rating, if applicable	Asset classification
NA	NA	NA	NA	NA	NA	NA	NA

- 3.3 The amount of corporate guarantee or letter of comfort 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, contingent liability including DSRA guarantees/ any put option etc.

NIL

4. ISSUE INFORMATION

- 4.1 Details of current tranche including ISIN, amount, date of issue, maturity, all credit ratings including unaccepted ratings, date of rating, name of credit rating agency, its validity period (details of credit rating letter issued not older than one month on the date of opening of the issue), details of issuing and paying agent and other conditions, if any.

Security Name	Commercial Paper
Issuer	Nomura Capital (India) Private Limited
ISIN	INE357L14321
Issue Size	INR 50 Crores (Indian Rupees Five Crores only)
Face Value	INR 5,00,000 (Indian Rupees Five lakhs only)
Date of issue	February 23, 2023
Maturity Date	May 23, 2023
Rating of the Instrument (all credit ratings including unaccepted ratings)	ND A1+
Date of rating	21 st October, 2022, Revalidated - Feb 16, 2023
Name of credit rating agency	India Ratings and Research
Validity period of rating	20 th October, 2023
Rating Declaration	The Issuer hereby declares that the rating is valid on the date of issuance and listing of commercial papers pursuant to this disclosure document.

Issuing and Paying Agent	HDFC Bank Limited
Other conditions (if any)	NA
Listing (including name of stock exchange(s) where it will be listed and timeline for listing)	National Stock Exchange (NSE)
Issue Price	INR 4,90,492 per unit
Discount at which CP is issued and the effective yield as a result of such discount.	Yield- 7.95% annualised
CP Borrowing Limit	INR 500 Crore (within overall borrowing limit of not exceeding a sum of INR 10 billion or 2 times the Net Owned Funds as at the end of March of the preceding financial year, whichever is lower)
Supporting Board Resolution for CP Borrowing (date of passing board resolution)	Board resolutions dated March 23, 2018 and February 7, 2023.

4.2 Details of CPs issued during the last 15 months

Series	ISIN	Tenor / Period of Maturity	Coupon	Amount Issued	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security	Other Details viz. Details of the IPA, details of the CRA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

4.3 End use of Funds:

Investing in corporate bonds, mutual funds, loans to borrowers (including corporates and sponsors), admin expenses, etc.

4.4

Credit support/ enhancement (where applicable)	NA
(i) Details of instrument, amount, guarantor company	
(ii) Copy of the executed guarantee	
(iii) Net worth of the guarantor company	
(iv) Names of companies to which guarantor has issue similar guarantee	
(v) Extent of the guarantee offered by the guarantor company	
(vi) Conditions under which the guarantee will be invoked	

- 4.5 Where an issue is made by an issuer who has been in existence for less than three years, a disclosure that the issue is open for subscription only to Qualified Institutional Buyers:

NA

5. FINANCIAL INFORMATION

- 5.1 Audited/ limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) along with auditor qualifications, if any, for last three years along with latest available financial results. , if the issuer has been in existence for a period of three years and above.

Attached separately

6. ASSET LIABILITY MANAGEMENT (ALM) DISCLOSURES

- 6.1 Classification of loans/advances given to according to:

- (a) Type of loans (as of 31st December 2022)

S. No	Type of loans	Rs. crore
1	Secured	51.50
2	Unsecured	Nil
	Total assets under management (AUM) *	51.50

- (b) Denomination of loans outstanding by LTV (Loan to Value)* (as of 31st December 2022)

Sr. No	LTV	Percentage of AUM
1	Upto 40%	100.00%
2	40-50%	-
3	50-60%	-
4	60-70%	-
5	70-80%	-
6	80-90%	-
7	>90%	-
	Total	100.00%

*LTV at the time of origination

- (c) Sectoral Exposure (as of 31st December 2022)

S. No	Segment-wise break-up of AUM	Percentage of AUM
1	Retail	
A	- Mortgages (home loans and loans against property)	-
B	- Gold loans	-
C	- Vehicle finance	-
D	- MFI	-
E	- M&SME	-

S. No	Segment-wise break-up of AUM	Percentage of AUM
F	- Capital market funding (loans against shares, margin funding)	-
G	- Others	-
2	Wholesale	
A	- Infrastructure	-
B	- Real estate (including builder loans)	-
C	- Promoter funding	-
D	- Any other sector (as applicable)	-
E	- Others	100%
	Total	100%

(d) Denomination of loans outstanding by ticket size* (as of 31st December 2022)

S. No	Ticket size **	Percentage of AUM
1	Upto Rs. 2 lakh	-
2	Rs. 2-5 lakh	-
3	Rs. 5-10 lakh	-
4	Rs. 10-25 lakh	-
5	Rs. 25-50 lakh	-
6	Rs. 50 lakh-1 crore	-
7	Rs. 1-5 crore	-
8	Rs. 5-25 crore	-
9	Rs. 25-100 crore	100.0%
10	>Rs. 100 crore	-
	Total	100.0%

* Information required at the borrower level (and not by loan account as a customer may have multiple loan accounts)

** Ticket size at the time of origination

(e) Geographical classification of borrowers (as of 31st December 2022)

S. No	Top 5 states	Percentage of AUM
1	Maharashtra	100%
2	Karnataka	-
3	Tamil Nadu	-
4	Delhi	-
5	Gujarat	-
	Total	100%

(f) Details of loans overdue and classified as non-performing in accordance with the RBI's stipulations (as of 31st December 2022)

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

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

Segment wise gross NPA (as of 31st December 2022)

S. No	Segment-wise gross NPA	Gross NPA (%)
1	Retail	
A	- Mortgages (home loans and loans against property)	-
B	- Gold loans	-
C	- Vehicle finance	-
D	- MFI	-
E	- M&SME	-
F	- Capital market funding (loans against shares, margin funding)	-
G	- Others	-
2	Wholesale	
A	- Infrastructure	-
B	- Real estate (including builder loans)	-
C	- Promoter funding	-
D	- Any other sector (as applicable)	-
E	- Others	-
	Total	-

(g) Residual maturity profile of assets and liabilities (in line with the RBI format) (as of 31st December 2022)

(Rs. Crore)

	Up to 30/31 Days	>1 Month – 2 months	>2 months – 3 months	>3 months – 6 months	>6 months – 1 year	>1 years – 3 years	>3 years – 5 years	>5 Years	Total
Deposit	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	51.50	-	-	51.50
Investments	431.56	-	-	-	-	25.00	260.00	-	716.56
Borrowings / Debt Securities	0.06	0.06	0.06	0.18	0.36	1.66	2.15	0.59	5.12
FCA*	-	-	-	-	-	-	-	-	-
FCL*	-	-	-	-	-	-	-	-**	-

*FCA – Foreign Currency Assets; FCL – Foreign Currency Liabilities.

** The share capital of the Issuer under the foreign direct investment route has been excluded.

6.2 Others

- (a) Loans given to borrowers that are a part of the Issuer's Group (as defined by the RBI) (as of 31st December 2022)

S.No.	Name of the borrower (A)	Amount of Advances/Exposures to such borrower (Group) (Rs. Crore) (B)	Percentage of Exposure (C) = B/Total AUM
1	NA	NA	NA

- (b) Lending policy:

- Business activities carried out by the Issuer broadly are:
 - Loans to corporate including origination and syndication
 - Structured financing (including promoter and acquisition financing)
 - Investments and Dealing in Corporate debt securities
- The Issuer is not in retail financing or digital lending but only in wholesale financing based on its relationship with corporates

- (c) Classification of loans/advances given to associates, entities/person relating to the board, senior management, promoters, others, etc.: (as of 31st December 2022)

S.No	Category	Rs. crore
1	Related Parties a) Subsidiaries b) Companies in the same group c) Other related parties	-
2	Other than related parties	-
	Total	-

- (d) Aggregate exposure to top 20 borrowers with respect to concentrations of Exposures (as of 31st December 2022)

(Amount in Rs.crore)		
Total Exposure to twenty largest borrowers / customers		51.50
Percentage of Exposures to twenty larges borrowers / customers to Total Exposure of the NBFC on borrowers / customers		100%

- (e) NPA exposures of the Issuer for the last three financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the Issuer:

Movement of gross NPA**	FY 2019-20	FY 2020-21	FY 2021-22
Opening gross NPA	-	-	-
- Additions during the year	-	-	-
- Reductions during the year	-	-	-

Closing balance of gross NPA	-	-	-
Movement of provisions for NPA	FY 2019-20	FY 2020-21	FY 2021-22
Opening balance	-	-	-
- Provisions made during the year	-	-	-
- Write-off / write-back of excess provisions	"	-	-
Closing balance	"	-	-

- (f) Details of any changes in the shareholding of the promoter (of the Issuer) in the Issuer during the previous financial year in excess of 26%:

NA

**VIPUL
JAMNADAS
CHATWANI** Digitally signed by
VIPUL JAMNADAS
CHATWANI
Date: 2023.02.23
18:06:26 +05'30'

VIPUL JAMNADAS CHATWANI
Director
DIN: 00337576

**ARUN
KUMAR
RAJAPPAN** Digitally signed by
ARUN KUMAR
RAJAPPAN
Date: 2023.02.23
18:05:29 +05'30'

ARUN KUMAR RAJAPPAN
Director
DIN: 07943252

Nomura Capital (India) Private Limited
Registered Office:
Ceejay House, Level 11, Plot F,
Shivsagar Estate, Dr. Annie Besant
Road, Worli, Mumbai – 400 018, India

Telephone +91 22 4037 4037
Facsimile +91 22 4037 4111
Website www.nomura.com

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF
NOMURA CAPITAL (INDIA) PRIVATE LIMITED ("COMPANY") AT ITS MEETING HELD ON
MARCH 23, 2018**

TAKE NOTE AND AUTHORITY TO BORROW MONEY:

"RESOLVED THAT pursuant to the provisions of Section 179(3) (d) of the Companies Act, 2013 and the Memorandum and Articles of Association of the Company and all other applicable provisions, consent of the Board of Directors be and is hereby accorded to borrow money, in the form of term loan from banks, Non-Convertible Debentures (Secured/Unsecured), Commercial Papers, Inter-Corporate Deposits or any other instrument as prescribed under the Investment Policy of the Company, from time to time, for the purpose of the business of the Company on such terms and conditions and interest as may deem fit and proper provided however that total amount borrowed shall not exceed a sum of INR 10 billion or 2 times the Net Owned Funds as at the end of March of the preceding financial year, whichever is lower, at any point of time;

RESOLVED FURTHER THAT the following officials of the Company be and are hereby authorised to execute the borrowing related documentation like letter of offer, deal confirmation note, master creation form, post issuance filing with the RBI, exchanges etc. as per authorisation matrix below:

List A	List B
Mr. Kishore Iyer	Mr. Santosh Nambiar
Mr. Vipul Chatwani	
Mr. Arun R	
Mr. Sameer Kazi	

Authorisation Matrix:

All the documents to be signed by any two person from list A jointly; or by any one person from list A and one person from list B jointly

RESOLVED FURTHER THAT any Director or the Company Secretary of the Company be and is hereby authorised to furnish the certified true copy of this resolution."

For Nomura Capital (India) Private Limited

VIPUL
JAMNADAS
CHATWANI

Digitally signed by
VIPUL JAMNADAS
CHATWANI
Date: 2023.02.14
15:28:03 +05'30'

Vipul Chatwani
Director

DIN: 00337576

Address: Ceejay House, 11th Level, Plot F,
Shivsagar Estate, Dr. Annie Besant Road,
Worli, Mumbai - 400018

Nomura Capital (India) Private Limited
Registered Office:
Ceejay House, Level 11, Plot F,
Shivsagar Estate, Dr. Annie Besant
Road, Worli, Mumbai – 400 018, India

Telephone +91 22 4037 4037
Facsimile +91 22 4037 4111
Website www.nomura.com

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF NOMURA CAPITAL (INDIA) PRIVATE LIMITED ("COMPANY") VIA CIRCULATION ON TUESDAY FEBRUARY 07, 2023

ISSUANCE OF LISTED COMMERCIAL PAPERS ("CP") BY THE COMPANY:

"RESOLVED THAT pursuant to the approval granted by the Board of Directors vide its resolution, dated 23rd March 2018 and subject to borrowing limits set by the Board under Section 179(3)(d) of the Companies Act, 2013 in the aforesaid resolution or as approved by the Board from time to time, the Board hereby takes note of the proposal for issuance of Commercial Papers (CPs) to be listed on a recognized stock exchange.

RESOLVED FURTHER THAT the Board takes note that the aforesaid proposed issuance and listing of Commercial Papers is for an amount up to Rupees Five Hundred Crores which is within the overall approved limit of INR 10 billion or 2 times the Net Owned Funds as per Board resolution of 23rd March 2018.

RESOLVED FURTHER THAT in continuation to the resolution passed by the Board at its meeting held on 09th October 2020, the following officials of the Company be and are hereby authorised to execute all documents related to the proposed issuance and listing of commercial papers like letter of offer, disclosure documents, deal confirmation note, master creation form, post issuance filing with Reserve Bank of India, stock exchanges, Issuing and Paying Agents, or any other intermediaries etc. as per authorisation matrix below:

List A	List B
Mr. Kishore Iyer	Mr. Prashant Pangam
Mr. Vipul Chatwani	Mr. Subeer Tiwari
Mr. Lokesh Jain	Mr. Mukesh Jolly
Mr. Sameer Kazi	Ms. Soumya Shetty
Mr. Santosh Nambiar	

Authorisation Matrix:

All the documents to be signed by any two persons from List A jointly or any one person from List A and one person from List B jointly.

RESOLVED FURTHER THAT any two Director of the Company or any one Director and the Company Secretary jointly be and is hereby authorised to do all such acts and things and matters which may be expedient to give effect to the issuance of the commercial papers and their listing on the stock exchange including but not limited to executing / signing / e-signing any applications, letters, forms, authorisation letters or any others documents or returns in this regard.

RESOLVED FURTHER THAT any Director or Company Secretary or Chief Financial Officer of the Company be and is hereby severally authorized to issue certified true copies of this resolution and make any regulatory or statutory filings as they deem necessary from time to time."

For Nomura Capital (India) Private Limited

VIPUL
JAMNADAS
CHATWANI

Digitally signed by
VIPUL JAMNADAS
CHATWANI
Date: 2023.02.09
11:14:45 +05'30'

Vipul Chatwani
Director

DIN: 00337576

Address: Ceejay House, 11th Level, Plot F,
Shivsagar Estate, Dr. Annie Besant Road,
Worli, Mumbai - 400018

Mr Vipul Chatwani
Chief Financial Officer
Nomura Fixed Income Securities Private Limited
Ceejay House, Level 11, Plot F,
Shivsagar Estate, Dr. Annie Besant Road,
Worli, Mumbai 400018.

February 16, 2023

Dear Sir/Madam,

Re: Rating of Commercial Paper programme of Nomura Capital (India) Private Limited

India Ratings and Research (Ind-Ra) is pleased to communicate the rating of

- INR5bn commercial paper: 'IND A1+

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings, India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings' reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or

security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. For the purpose of issuance of captioned commercial paper programme, this letter is valid for 30 calendar days from the date of the letter. Once the instrument is issued, the above rating is valid for a maximum period of 1 year from the date of issuance. Notwithstanding the above, the rating is subject to review on a continuing basis, with formal reviews being undertaken at regular intervals of no more than 12 months. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch at any time due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings



Abhishek Bhattacharya
Senior Director

Mr Vipul Chatwani
Chief Financial Officer
Nomura Fixed Income Securities Private Limited
Ceejay House, Level 11, Plot F,
Shivsagar Estate, Dr. Annie Besant Road,
Worli, Mumbai 400018.

October 21, 2022

Dear Sir/Madam,

Re: Rating Letter for NCD of Nomura Capital (India) Private Limited

India Ratings and Research (Ind-Ra) has taken the following rating actions on Nomura Capital (India) Private Limited's (NCIPL) Long-Term Issuer Rating and debt instruments:

Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
Long-term Issuer Rating	-	-	-	-	-	IND AAA/Stable	Affirmed
Non-convertible debentures (NCDs)*	-	-	-	-	INR7,500	IND AAA/Stable	Assigned
Principal protected equity-linked debentures*	-	-	-	-	INR3,500	IND ML DAAA ^{emr} /Stable PP	Affirmed
Short-term debt (commercial paper; CP)	-	-	-	7 to 365 days	INR5,000	IND A1+	Affirmed

* Yet to be issued

The suffix 'emr' denotes the exclusion of the embedded market risk from the rating. The rating of the market-linked debentures is an ordinal assessment of the underlying credit risk of the instrument and does not factor in the market risk that investors in such instruments will assume. This market risk stems from the fact that coupon payment on these instruments will be based on the performance of a reference index or equity share detailed in the information memorandum of the issue.

PP-MLD refers to full principal protection in the equity-linked notes, wherein the issuer is obligated to pay the full principal upon maturity.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are

available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings

India Ratings
& Research
A Fitch Group Company

FitchGroup

Prakash Agarwal
Prakash Agarwal
Director

K. Gupta
Karan Gupta
Director

Price Waterhouse Chartered Accountants LLP

Independent Auditors' report

To the Members of Nomura Capital (India) Private Limited

Report on audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Nomura Capital (India) Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Emphasis of Matter

4. We draw your attention to Note 45 to the financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not impact the current financial year. However, in view of the highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors' report, but does not include the financial statements and our auditor's report thereon.

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

Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai 400028
T: +91 (22) 66691500, F: +91 (22) 66547804/07

Registered office and Head office : Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LUPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/NS00016 (ICAI registration number before conversion was 012754N)

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Nomura Capital (India) Private Limited
Report on audit of the Financial Statements
Page 2 of 4

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Nomura Capital (India) Private Limited

Report on audit of the Financial Statements

Page 3 of 4

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

12. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Nomura Capital (India) Private Limited
Report on audit of the Financial Statements
Page 4 of 4

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its financial statements – Refer Note 40 to the financial statements.
 - ii. The Company has made provision as at March 31, 2020, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts - Refer Note 6 to the financial statements. The Company did not have any derivative contracts as at Mar 31, 2020.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
14. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

VIVEK RATNESHWAR
PRASAD

Vivek Prasad
Partner

Membership Number: 104941
UDIN: 20104941AAAADN5077

Digitally signed by VIVEK
RATNESHWAR PRASAD
Date: 2020.06.23 19:30:35 +05'30'

Mumbai
June 23, 2020

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 13(f) of the Independent Auditors' Report of even date to the members of Nomura Capital (India) Private Limited on the financial statements for the year ended March 31, 2020

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Nomura Capital (India) Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 13(f) of the Independent Auditors' Report of even date to the members of Nomura Capital (India) Private Limited on the financial statements for the year ended March 31, 2020

Page 2 of 2

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Also refer paragraph 4 of the main audit report.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

VIVEK RATNESHWAR
PRASAD

Vivek Prasad
Partner

Membership Number: 104941

UDIN: 20104941AAAADN5077

Digitally signed by VIVEK
RATNESHWAR PRASAD

Date: 2020.06.23 19:31:20
+05'30'

Mumbai
June 23, 2020

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Nomura Capital (India) Private Limited on the financial statements as of and for the year ended March 31, 2020

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
 - (c) The Company does not own any immovable properties as disclosed in Note 9 on fixed assets to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii. The Company did not hold any inventory during the year. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Section 185 and Section 186(1) are not applicable to the Company. The Company is a Non-Banking Financial Company registered with Reserve Bank of India and consequently other provisions of Section 186 are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of income tax, though there has been a slight delay in one case, and is regular in depositing undisputed statutory dues, including provident fund, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax, duty of excise and value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Nomura Capital (India) Private Limited on the financial statements as of and for the year ended March 31, 2020

Name of the statute	Nature of dues	Amount (Rs. In million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Disallowance of Mark to Market Loss on Debentures	9.49 (Amount of Rs. 1.50 paid under protest to the tax authorities)	AY 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Disallowance of Mark to Market Loss on Debentures and taxing of Mark to Market Gain on Derivatives.	94.01 (Amount of Rs. 14.2 paid under protest to the tax authorities)	AY 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Disallowance of Mark to Market Loss on Debentures and taxing of Mark to Market Gain on Derivatives.	20.77 (Amount of Rs. 3.20 paid under protest to the tax authorities)	AY 2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Disallowance of Mark to Market Loss on Debentures	8.6 *	AY 2015-16	Commissioner of Income Tax (Appeals)

* Amount has been adjusted from refund of the same year

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company. Also refer paragraph 14 of our main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Nomura Capital (India) Private Limited on the financial statements as of and for the year ended March 31, 2020

- xiii. The Company has entered into transactions with related parties as defined under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. However, these parties being either holding company or fellow subsidiaries, Section 188 shall not apply, as the Company is a private company, as per Ministry of Corporate Affairs' Notification dated June 05, 2015.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as an Non-Banking Financial Institution without accepting public deposits.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

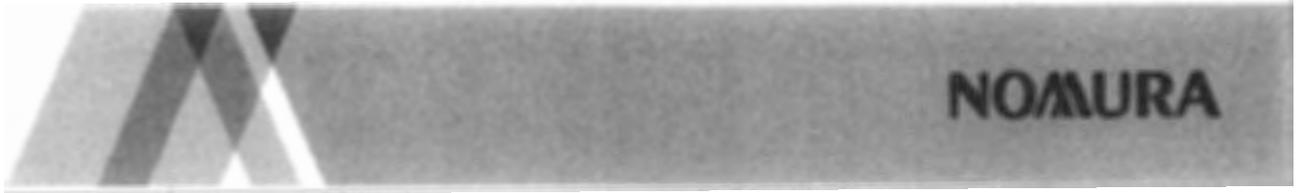
**VIVEK RATNESHWAR
PRASAD**

Vivek Prasad
Partner

Membership Number: 104941
UDIN: 20104941AAAADN5077

Digitally signed by VIVEK
RATNESHWAR PRASAD
Date: 2020.06.23 19:31:53
+05'30'

Mumbai
June 23, 2020



Nomura Capital (India) Private Limited

Audited financial statements - FY 2019-20

Registered Office : Ceejay House, Level 11, Plot-F, Shivsagar Estate, Dr. Annie Besant Road, Mumbai – 400018.

Tel: +91 22 40374037, Fax: +91 22 40374111.

CIN: U65910MH2007PTC168237

Nomura Capital (India) Private Limited
Balance sheet as at March 31, 2020

	Note	As at March 31, 2020 In ₹ million	As at March 31, 2019 In ₹ million
Assets			
1. Financial assets			
a. Cash and cash equivalents	4	18.6	85.4
b. Receivables			
- Trade receivables	5	60.0	25.6
c. Investments	6	6,276.1	6,130.7
d. Other financial assets	7	258.3	449.1
2. Non-financial assets			
a. Current tax assets (net)	8	46.0	50.7
b. Deferred tax assets (net)	32	246.9	83.0
c. Property, plant and equipment	9	0.2	-
d. Right of use asset	10	64.3	-
e. Intangible assets under development		0.2	-
f. Other intangible assets	9	0.1	0.0
g. Other non-financial assets	11	0.7	0.7
TOTAL		6,971.4	6,825.2
Liabilities and Equity			
Liabilities			
1. Financial liabilities			
a. Payables			
- 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		-	-
b. Lease liability	10	68.1	-
c. Other financial liabilities	12	20.9	11.9
2. Non financial liabilities			
a. Current tax liabilities (net)	13	4.1	4.9
b. Provisions	14	12.4	10.7
c. Other non-financial liabilities	15	2.6	2.2
		108.1	29.7
Equity			
a. Equity share capital	16	1,300.0	1,300.0
b. Other equity	17	5,563.3	5,495.5
		6,863.3	6,795.5
TOTAL		6,971.4	6,825.2
Summary of significant accounting policies	3		

The accompanying notes form an integral part of the financial statements.
This is the balance sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

VIVEK RATNESHWAR PRASAD
Digitally signed by VIVEK RATNESHWAR PRASAD
Date: 2020.06.23 19:37:48 +05'30'

Vivek Prasad
Partner
Membership No.: 104941
Place: Mumbai
Date: June 23, 2020

For and on behalf of the Board of Directors of
Nomura Capital (India) Private Limited

ARUN KUMAR RAJAPPAN
Digitally signed by ARUN KUMAR RAJAPPAN
Date: 2020.06.23 18:55:18 +05'30'

Arun Kumar Rajappan
Director
DIN: 05348107

Vipul Jamnadas Chatwani
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Date: 2020.06.23 17:54:03 +05'30'

Vipul Chatwani
Director
DIN: 00337576

SWATI SHAILESH SONAR
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Date: 2020.06.23 18:50:47 +05'30'

Swati Sonar
Company Secretary
Membership No.: A48981
Place: Mumbai
Date: June 23, 2020

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Statement of profit and loss for the year ended March 31, 2020

	Note	Year ended March 31, 2020 In ₹ million	Year ended March 31, 2019 In ₹ million
Revenue from operations			
i. Interest income	18	655.3	515.9
ii. Dividend income		-	68.3
iii. Fees and commission income		45.5	-
iv. Other income	20	27.1	15.3
Total		727.9	599.5
Expenses			
i. Finance costs	21	5.4	7.1
ii. Fees and commission expense	22	1.5	1.9
iii. Net loss on fair value changes	19	475.0	292.6
iv. Impairment on financial instruments	23	7.4	2.2
v. Employee benefits expenses	24	54.7	46.8
vi. Depreciation, amortization and impairment	25	7.8	0.2
vii. Others expenses	26	65.7	81.7
Total		617.5	432.5
Profit before tax		110.4	167.0
Tax Expense:			
i. Current Tax	32	205.7	91.0
ii. Deferred Tax	32	(163.5)	(58.3)
iii. Tax Expense for prior years (net)	32	0.1	0.4
Total		42.3	33.1
Profit for the year		68.1	133.9
Other comprehensive income			
i. Items that will not be reclassified to profit or loss			
(a) Remeasurement gain of the defined benefit plans		(0.1)	0.0
ii. Income tax relating to items that will not be reclassified to profit or loss			
		0.0	(0.0)
Total		(0.1)	0.0
Total comprehensive income for the year		68.0	133.9
Earnings per equity share			
Basic (₹)	33	0.52	1.03
Diluted (₹)	33	0.52	1.03
Summary of significant accounting policies	3		

The accompanying notes form an integral part of the financial statements.
This is the statement of profit and loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

VIVEK RATNESHWAR PRASAD Digitally signed by VIVEK RATNESHWAR PRASAD
Date: 2020.06.23 19:39:00 +05'30'

Vivek Prasad
Partner
Membership No.: 104941
Place: Mumbai
Date: June 23, 2020

For and on behalf of the Board of Directors of
Nomura Capital (India) Private Limited

ARUN KUMAR RAJAPPAN Digitally signed by ARUN KUMAR RAJAPPAN
Date: 2020.06.23 18:56:06 +05'30'

Arun Kumar Rajappan
Director
DIN: 05348107

Vipul Jamnadas Chatwani Digitally signed by Vipul Jamnadas Chatwani
Date: 2020.06.23 17:55:47 +05'30'

Vipul Chatwani
Director
DIN: 00337576

SWATI SHAILESH SONAR Digitally signed by SWATI SHAILESH SONAR
Date: 2020.06.23 18:51:34 +05'30'

Swati Sonar
Company Secretary
Membership No.: A48981
Place: Mumbai
Date: June 23, 2020

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Statement of cash flow for the year ended March 31, 2020

	Year ended March 31, 2020 In ₹ million	Year ended March 31, 2019 In ₹ million
Cash flow from operating activities		
Net profit before taxation	110.4	167.0
Adjustments for:		
Amortisation	-	0.2
Depreciation on right of use asset	7.8	-
Provision created on good and service tax asset	(3.5)	(1.3)
Interest on right of use liability	5.4	-
Unrealised loss on corporate bonds	687.8	197.7
Impairment on financial instruments (measured at amortised cost)	7.4	2.2
Discount on commercial paper issuance	-	7.1
Recognition of stock appreciation right payments to employees	1.0	2.1
Interest u/s 234C of Income Tax Act, 1961	1.9	0.2
Actuarial gain/(loss) on defined benefit plans	(0.1)	0.0
Operating profit before working capital changes	818.1	375.2
Changes in working capital :		
Decrease / (Increase) in receivables	(34.4)	49.5
Decrease / (Increase) in investments	(840.6)	519.7
Decrease / (Increase) in other financial assets	190.7	(77.6)
Decrease / (Increase) in other non-financial assets	3.5	2.1
Increase / (Decrease) in other financial liabilities	9.0	(8.3)
Increase / (Decrease) in provisions	1.7	1.9
Increase / (Decrease) in other non-financial liabilities	0.4	1.2
Cash generated from operations	148.4	863.7
Payment of taxes (net of refunds)	(203.7)	(98.6)
Net cash (used in)/generated from operating activities (A)	(55.3)	765.1
Cash flow from investing activities		
Sale / (Purchase) of property, plant and equipment	(0.2)	-
Sale / (Purchase) of intangible assets	(0.3)	-
Net cash (used in) investing activities (B)	(0.5)	-
Cash flow from financing activities		
Principal element of lease payment	(11.0)	-
Commercial paper redeemed	-	(750.0)
Net cash (used in) financing activities (C)	(11.0)	(750.0)
Net (decrease) / increase in cash and cash equivalents (A + B + C)	(66.8)	15.1
Cash and cash equivalents at the beginning of the year	85.4	70.3
Cash and cash equivalents at the end of the year	18.6	85.4
Non-cash investing activities		
Acquisition of right of use asset	72.1	-
Cash and cash equivalents comprises of:		
Balances in Bank	18.6	85.4

The accompanying notes form an integral part of the financial statements.
This is the cash flow statement referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

VIVEK RATNESHWAR PRASAD
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Date: 2020.06.23 19:40:02 +05'30'

Vivek Prasad
Partner
Membership No.: 104941
Place: Mumbai
Date: June 23, 2020

For and on behalf of the Board of Directors of
Nomura Capital (India) Private Limited

ARUN KUMAR RAJAPPAN
Digitally signed by ARUN KUMAR RAJAPPAN
Date: 2020.06.23 18:56:54 +05'30'

Arun Kumar Rajappan
Director
DIN: 05348107

Vipul Jamnadas Chatwani
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Vipul Chatwani
Director
DIN: 00337576

SWATI SHAILESH SONAR
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Swati Sonar
Company Secretary
Membership No.: A48981
Place: Mumbai
Date: June 23, 2020

NOMURA CAPITAL (INDIA) PRIVATE LIMITED

Statement of changes in equity for the year ended March 31, 2020

a. Equity share capital

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	In ₹ million	No. of Shares	In ₹ million
Balance at the beginning of the year	130,000,000	1,300.0	130,000,000	1,300.0
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	130,000,000	1,300.0	130,000,000	1,300.0

b. Other equity

Particulars	Reserves and surplus			Others	Total
	Securities premium	Statutory reserve	Retained earnings	Contribution from ultimate parent - Stock appreciation rights reserve	
Balance at April 01, 2018	3,247.9	422.9	1,682.9	5.8	5,359.5
Profit for the year	-	-	133.9	-	133.9
Other comprehensive income	-	-	0.0	-	0.0
Transfer (from)/to statutory reserve	-	26.8	(26.8)	-	-
Stock appreciation rights expense	-	-	-	2.1	2.1
Balance at March 31, 2019	3,247.9	449.7	1,790.0	7.9	5,495.5
Change in accounting policy	-	-	(1.2)	-	(1.2)
Restated balance as at April 01, 2019	3,247.9	449.7	1,788.8	7.9	5,494.3
Profit for the year	-	-	68.1	-	68.1
Other comprehensive income	-	-	(0.1)	-	(0.1)
Transfer (from)/to statutory reserve	-	13.6	(13.6)	-	-
Stock appreciation rights expense	-	-	-	1.0	1.0
Balance at March 31, 2020	3,247.9	463.3	1,843.2	8.9	5,563.3

The accompanying notes forms an integral part of financial statements.

This is the statement of changes in equity referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

VIVEK RATNESHWAR PRASAD
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Date: 2020.06.23 19:41:42 +05'30'

Vivek Prasad
Partner
Membership No.: 104941
Place: Mumbai
Date: June 23, 2020

For and on behalf of the Board of Directors of
Nomura Capital (India) Private Limited

ARUN KUMAR RAJAPPAN
Digitally signed by ARUN KUMAR RAJAPPAN
Date: 2020.06.23 18:50:08 +05'30'

Arun Kumar Rajappan
Director
DIN: 05348107

SWATI SHAILESH SONAR
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Date: 2020.06.23 18:53:27 +05'30'

Swati Sonar
Company Secretary
Membership No.: A48981
Place: Mumbai
Date: June 23, 2020

Vipul Jamnadas Chatwani
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Date: 2020.06.23 17:57:24 +05'30'

Vipul Chatwani
Director
DIN: 00337576

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

1. Corporate Information

Nomura Capital (India) Private Limited (the “Company”) is a company domiciled in India with its registered office situated at Ceejay House, Level 11, Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

The Company was incorporated on August 04, 2009. The Company is a subsidiary of Nomura Asia Investment (Fixed Income) Pte. Ltd., a Company incorporated in Singapore.

The Company received the Certificate of Registration on April 28, 2010 from Department of Non-banking Supervision (“DNBS”) of the Reserve Bank of India (“RBI”) to commence the business of non-banking financial institution.

The Company is primarily engaged in lending and investing activities.

The financial statements for the year ended March 31, 2020 were approved by the Company’s Board of Directors on June 23, 2020.

2. Basis of preparation

2.1 Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (“Ind AS”) notified under Section 133 of the Companies Act, 2013 (the “Act”) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Company is covered in the definition of Non-Banking Financial Company (“NBFC”) as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2018, the Company presents its balance sheet in the order of liquidity. This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 43.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements

2.2 Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities - measured at fair value;
- defined benefit plans assets - measured at fair value; and
- share-based payments - measured at fair value

2.3 Use of judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities and disclosures of contingent assets and liabilities as on the date of the financial statements and the income and expense for the reporting period. The actual results could differ based on these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Certain of the Company’s accounting policies require critical accounting estimates that involve subjective judgments and the use of assumptions, some of which may be for matters that are

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

inherently uncertain and susceptible to change. The policies that involve critical accounting estimates include fair valuation of financial instruments, impairment of non-financial assets and deferred tax. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

Critical estimates and judgments made under Ind AS are:

- a. Business model assessment and fair value of financial instruments – refer note 27
- b. Estimation of expected credit losses – refer note 28 (II).
- c. Estimation of defined benefits obligation – refer note 30
- d. Estimation of current tax expense and current tax payable – refer note 32
- e. Estimation of deferred tax assets – refer note 32

2.4 New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting commencing April 01, 2019

- 1) IndAS 116, Leases
- 2) Appendix C to IndAS 12, Income Taxes – Uncertainty over Income Tax Treatments
- 3) Amendment to IndAS 12, Income Taxes

The Company had to change its accounting policies as a result of adopting IndAS 116. This is disclosed in note 44. The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or prior periods.

3. Significant Accounting Policies

3.1 Foreign currency translations

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in Indian rupee (“₹”), which is Company’s functional and presentation currency. Except as otherwise indicated, financial statements presented in Indian rupee has been rounded to the nearest million with one decimal.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in statement of profit and loss.

All foreign exchange gains and losses are presented in the statement of profit and loss.

3.2 Income taxes

Tax expense comprises current income tax and deferred income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the period.

Deferred income tax is measured based on the tax rates and the tax regulations enacted or substantively enacted at the balance sheet date. Deferred income tax assets are recognized only to the extent that there are sufficient future taxable income will be available against which such deferred tax assets can be realized.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realized.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to offset current tax assets with liabilities and when deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income ("OCI") or directly in equity. In this case tax is also recognised in OCI or directly in equity, respectively

3.3 Goods and Service tax ("GST") on acquisition of assets and services

Expenses and assets are recognised net of the GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payable in the balance sheet.

3.4 Leases

Nomura Financial Advisory and Securities (India) Private Limited ("NFASI"), the Company's group company, has entered into lease agreement for office space. Of this, some area is occupied by the other group companies i.e. Nomura Fixed Income Securities Private Limited ("NFIS") and the Company.

Till March 31, 2019

Leases where the Company is lessee:

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases.

Based on arrangement entered into by the Company with NFASI & Lessor, lease payments, for the area occupied by the Company, is being billed, on a monthly basis, to the Company. NFASI has the primary responsibility to comply with all terms and conditions of the lease arrangement.

From April 1, 2019

Leases where the Company is lessee:

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Contracts may contain both lease and non-lease components. The Company will allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate, for which the company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

- a. fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- b. payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate ("IBR") is used. IBR is the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company, where possible, uses recent third-party financing received by the lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Right-of-use assets are measured at cost comprising the following:

- a. the amount of the initial measurement of lease liability,
- b. any lease payments made at or before the commencement date less any lease incentives received,
- c. any initial direct costs, and
- d. restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture

3.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand balances and short term deposits with other banks and other short-term, highly liquid investments with original maturities of three months or less which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.6 Financial Instruments

a. Financial assets

i. Initial recognition and measurement

Purchase and sale of financial assets are recognised on trade date, the date on which the Company commits to purchase or sell a financial asset.

At initial recognition, the Company measures a financial asset at its fair value.

ii. Subsequent measurement

Subsequent measurement of financial assets depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

There are three measurement categories into which the Company classifies its financial asset - debt instruments:

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Notes to Financial Statements for the year ended March 31, 2020

• **Financial assets at amortised costs**

Financial assets are classified under this category if the asset fulfills both the below mentioned conditions:

- a. The assets are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding.

Any gain or loss arising on de-recognition is recognised directly in statement of profit and loss. Impairment losses are presented as separate line item in the statement of profit and loss.

• **Financial assets at fair value through other comprehensive income (“FVOCI”)**

Financial asset is measured at FVOCI when both of the following conditions are met:

- a. The instrument is held within a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets;
- b. The contractual terms of the financial asset meet the SPPI test.

When the financial asset is de-recognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss. Interest income from these financial assets is included using the effective interest rate method (“EIR”).

• **Financial Assets at fair value through profit or loss (“FVTPL”)**

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in statement of profit and loss and presented net within Net gain/loss on fair value changes in the period in which it arises.

Transaction costs of financial assets are expensed in statement profit and loss.

iii. Impairment of financial assets

i. Overview of Expected Credit Loss (“ECL”) principles

The Company records allowance for expected credit losses for all loans, other debt financial assets, not measured at FVTPL, in this section all referred to as “financial instruments”. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on 12 months’ expected credit loss; unless there has been significant increase in credit risk since origination, in which case, the allowance is based on the lifetime expected credit loss.

Lifetime expected credit losses represent expected credit losses that would result from all possible default events over the expected life of the financial asset whereas 12 month expected credit losses are those life expected credit losses expected to occur within 12 months of balance sheet date.

Both lifetime ECLs and 12-month ECLs are calculated on an individual basis depending on the nature of the underlying portfolio of financial instruments.

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Notes to Financial Statements for the year ended March 31, 2020

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above, the Company categories its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1 – Performing financial assets for which there has been no significant deterioration in credit quality since initial recognition;

Stage 2 – Underperforming financial assets for which there has been a significant deterioration in credit quality since initial recognition but which are not credit-impaired; and

Stage 3 – Non-performing financial assets for which there has been a significant deterioration in credit quality since initial recognition and which have become credit-impaired.

For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the EIR to the amortised cost (net of provision) rather than the gross carrying amount.

If an event (for e.g. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

In case internal Nomura credit rating is not available for stage 1 assets, which are performing, then lowest rating of performing assets shall be used for the purposes of ECL calculation on a conservative basis.

ii. Credit-impaired financial asset

A financial asset is considered credit impaired when an obligor fails to make payments in full and on time of any financial obligations, markedly disadvantageous modification to a contractual term compared with the existing obligation, bankruptcy filings, administration, receivership, liquidation or other winding-up or cessation of business of an obligor or other similar situations.

At each reporting date, the Company assesses whether financial instruments are credit-impaired.

iii. ECL methodology

The measurement of expected credit losses through the general ECL impairment model is typically determined using loss rate models or discounted cash flow models depending on the relevant staging of the financial instrument.

A loss rate model measures ECL for an individual or portfolio of similar financial instruments through development of loss rates calculated through an estimate of the probability of default ("PD") of the obligor and loss given default ("LGD") which is applied to the expected credit exposure of the obligor at default ("CEAD").

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Notes to Financial Statements for the year ended March 31, 2020

iv. Forward looking estimate

While estimating the ECL, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses the relationship between key economic trends with the estimate of PD.

v. Probability of default

The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 28 (II).

vi. Loss given default

Loss given default inputs are determined by class of financial instrument based on historical experience of loss and recovery rates for similar financial instruments and other relevant industry data. Where appropriate, LGD inputs are adjusted to reflect the impact of collateral and other integral credit enhancements.

vii. Exposure at default

The exposure at default is an estimate of the exposure at a future default date.

viii. Write off of loan assets

Credit-impaired financial asset individually assessed for impairment are typically written-off when further cash flows are deemed uncollectible and when all commercially reasonable means of recovering outstanding principle and interest balances have been exhausted. Such a determination is based on factors such as the occurrence of significant changes in the obligor's financial position such that the obligor can no longer pay the obligation, or that the proceeds from collateral will not be sufficient to pay amounts due.

- ix.** The provision calculated using the ECL model is compared with the prudential guidelines issued by RBI and higher of the two is provided in the books of account.

iv. Derecognition of financial assets

A financial asset is de recognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset; or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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Notes to Financial Statements for the year ended March 31, 2020

Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

The difference between the carrying value of the original financial asset and the consideration is recognised in statement of profit and loss.

b. Financial liabilities

a. Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

Trade payables amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. They are recognised initially at their fair value.

b. Subsequent measurement

The subsequent measurement of financial liabilities depends on their classifications as follows:

• **Financial liabilities at fair value through profit or loss**

Liabilities classified under fair value through profit or loss includes financial liabilities held-for-trading and financial liabilities designated at fair value through statement of profit and loss.

Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships.

Subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in statement of profit and loss.

• **Financial liabilities at amortised cost**

Financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised, and through the amortisation process. Trade and other payables measured at amortised cost using the effective interest method.

c. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is

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Notes to Financial Statements for the year ended March 31, 2020

treated as a derecognition of the original liability and the recognition of a new liability.

The difference between the carrying value of the original financial liability and the consideration is recognised in statement of profit and loss.

3.7 Fair value measurement

Fair value is the price that would be received, to sell an asset, or paid, to transfer a liability, in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell an asset or transfer a liability would take place either:

- a) In the principal market for an asset or liability or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

Level 1: The financial instrument which is measured at a quoted price.

Level 2: The financial instrument that is not quoted in an active market. Such instrument is measured using various valuation techniques. The inputs for these valuation techniques are:

- a) Quoted price of similar instrument in an active market;
- b) Quoted price of identical or similar instrument in a market that is not active;
- c) Inputs other than quoted price that are observable for an instrument (e.g. yield curves, credit spreads, implied volatilities, etc.);
- d) Market-corroborated inputs.

Level 3: The financial instrument for which one or more significant inputs are not based on observable market data.

3.8 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realised the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

3.9 Derivative financial instruments

A derivative is a financial instrument or other contract with all three of the following characteristics:

- a. Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- b. It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- c. It is settled at a future date.

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3.10 Property, plant and equipment

The Company enters into derivative transactions with various counterparties and these include interest rate swaps. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative.

a. Tangible assets

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located, after deducting trade discounts and rebates.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the company.

iii. Depreciation

Depreciation on property, plant and equipment is calculated on a straight line basis using the rates arrived at, based on the useful lives estimated by the management and which is in line with the rates indicated under Schedule II of the Companies Act, 2013. Depreciation is provided from the month of acquisition of property, plant and equipment.

The management has used the following estimates of useful life to provide depreciation on its property, plant and equipment:

Asset type	Useful life estimated by management
Office Equipment*	5 years
Computer and Allied Equipment*	3 years

*The useful life of the assets are based on historical experience and evaluation of the Company, which is different from the useful life as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on property, plant and equipment, individually costing less than ₹ 25,000 is fully provided in the year of acquisition, as per management estimate.

b. Intangible assets

i. Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

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ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

iii. Amortisation

Intangible assets are amortised on a straight line basis over the estimated useful economic life. The estimated useful lives are as follows:

Asset	Useful life (years)
Software	3 years

The amortisation period and the amortisation method are reviewed at each financial yearend. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

3.11 Revenue Recognition

(i) Trading gains and losses (as per Ind AS 109):

Trading income includes all gains and losses from changes in fair value and the related interest income or expense, for financial assets and financial liabilities held for trading. Gains and losses on sale of securities are recognized on trade date basis.

(ii) Interest income on investments (as per Ind AS 109):

Interest incomes of investments classified as FVTPL are recognised on EIR basis. It is recognized on accrual basis and based on time apportioned, taking into account the amount outstanding and the rate applicable.

(iii) Interest income on loans and advances (as per Ind AS 109):

For all financial instruments measured at amortised cost, interest income or expense is recorded using the EIR, which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

EIR in case of a financial asset is computed:

- a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows are recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

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3.12 Employee benefits

i. Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified short-term employee benefits and they are recognised in the year in which the employee renders the related services. For the amount expected to be paid, the Company recognises an undiscounted liability if they have a present legal or constructive obligation to pay the amount as a result of past service provided by employees, and the obligation can be estimated reliably.

ii. Defined benefit plan

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in the other comprehensive income. They are included in the retained earnings under Other Equity on the balance sheet.

iii. Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered Provident Fund Scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions are due. The Company has no other obligations other than the contribution payable to the respective provident funds.

iv. Other employee benefits plan

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognizes the charge to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on valuation by an independent actuary. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit and leave expected to be carried forward beyond 12 months, as long term employee benefit.

v. Share based payments

a. Equity settled transactions

The ultimate holding company of the company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Company's operations. Employees (including directors) of the Company receive remuneration in the form of share-based

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payments, whereby employees render services as consideration for equity instruments ("equity settled transactions").

The cost of equity-settled transactions with employees and directors for grants is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using a finite difference model which determines fair value with the following assumptions:

Expected Volatility	based on implied volatility of the ultimate holding company's common stock
Expected dividend yield	based on the current dividend rate at the time of grant
Expected lives of options granted	based on vesting period
Expected number of options which will vest	based on historical experience
Estimated risk-free interest rate	based upon Japanese Yen swap rates with a maturity equal to the expected lives of options

The cost of equity-settled transactions is recognised in statement of profit and loss, together with a corresponding increase in reserves, representing contribution received from the ultimate holding company, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to statement of profit and loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest.

b. Cash benefit plans

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period the employees unconditionally become entitled to payment. The liability is measured at the end of each reporting date up to and including settlement date, with changes in the fair value recognised as salaries, wages and bonus in statement profit and loss.

3.13 Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed and disclosed as contingent liability.

3.14 Segment Reporting

i. Basis for segmentation

An operating segment is a component of the company that engages in business activities from which it may earn and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components and for which discrete financial information is available. Such decision is taken by Chief Operating Decision Maker (CODM).

ii. Business segment

The Company's operations fall under single business segment. Further, all the transactions and the assets of the Company are recorded and located in India. Since the Company's current business activity primarily falls within a single business and geographical segment, no additional disclosure is to be provided under Ind AS 108 – Segment Reporting, other than those already provided in the financial statements.

iii. Geographical segment

The Company's business is primarily within India. Hence no separate geographical disclosure is considered necessary.

3.15 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3.16 Contributed equity

Equity shares are classified as equity.
Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity.

3.17 Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

	As at March 31, 2020 In ₹ million	As at March 31, 2019 In ₹ million
4. Cash and cash equivalents		
Balances with banks	18.6	85.4
	18.6	85.4

a. Balances with banks are current account balances.

b. The Company has not availed bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and cash equivalent given above.

5. Receivables

- Trade receivables

Receivable considered good - secured

Receivable considered good - unsecured

	60.0	25.6
A	60.0	25.6
Less : Impairment loss allowance	-	-
B	-	-
A-B	60.0	25.6

a. No debts due by directors or other officers of the Company or any of them either, severally or jointly, with any other person or debts due by firm including limited liability partnerships, private companies respectively, in which director is a partner or director or a member.

6. Investments

		In ₹ million	
		Amortised Cost	At fair value Through profit and loss
As at March 31, 2020			
Debt securities - Corporate bonds		432.4	5,863.6
Others		-	-
	A	432.4	5,863.6
i. Investments in India		432.4	5,863.6
ii. Investments outside India		-	-
	B	432.4	5,863.6
Less : Impairment loss allowance		19.9	-
	C	19.9	-
	A-C	412.5	5,863.6
As at March 31, 2019			
Debt securities - Corporate bonds		-	5,443.2
Others:		-	-
- Pass through certificate of Future Speciality Retail Limited CCPS Trust		700.0	-
	A	700.0	5,443.2
i. Investments in India		700.0	5,443.2
ii. Investments outside India		-	-
	B	700.0	5,443.2
Less : Impairment loss allowance		12.5	-
	C	12.5	-
	A-C	687.5	5,443.2

	As at March 31, 2020 In ₹ million	As at March 31, 2019 In ₹ million
7. Other financial assets		
Interest accrued on investments	256.7	448.1
Receivable from group companies	1.6	1.0
	258.3	449.1

8. Current tax assets (net)

Advance tax (net of provision for income tax March 31, 2020 ₹ 1,193.4million, March 31, 2019 ₹ 1,102.1million)

	46.0	50.7
	46.0	50.7

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9. Property, plant and equipment and other intangible assets

Particulars	Gross block			Depreciation/Amortisation				Net carrying	
	As at April 01, 2019	Additions	Disposals	As at March 31, 2020	Opening Balance as at April 1, 2019	For the year	Disposals	Closing Balance as at March 31, 2020	amount as at March 31, 2020
a. Property, plant and equipment									
Computer and allied equipments	-	0.2	-	0.2	-	0.0*	-	0.0	0.2
Total	-	0.2	-	0.2	-	0.0*	-	0.0	0.2
a. Other intangible assets									
Computer software	0.5	0.1	-	0.6	0.5	0.0*	-	0.5	0.1
Total	0.5	0.1	-	0.6	0.5	0.0*	-	0.5	0.1

* Below the rounding off norms adopted by the Company

Particulars	Gross block			Depreciation/Amortisation				Net carrying	
	As at April 1, 2018	Additions	Disposals	As at March 31, 2019	Opening Balance as at April 1, 2018	For the year	Disposals	Closing Balance as at March 31, 2019	amount as at March 31, 2019
a. Other intangible assets									
Computer software	0.5	-	-	0.5	0.3	0.2	-	0.5	0.0
Total	0.5	-	-	0.5	0.3	0.2	-	0.5	0.0

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	As at March 31, 2020 in ₹ million	As at March 31, 2019 in ₹ million
10. Leases		
Right of use assets: Building	72.1	-
Add: Addition during the year	-	-
Less: Depreciation for the year	(7.8)	-
	<u>64.3</u>	<u>-</u>
Lease liabilities	73.7	-
Add: Interest for the year	5.4	-
Less: Rent paid during the year	(11.0)	-
	<u>68.1</u>	<u>-</u>
11. Other non-financial assets		
Prepaid expenses	0.7	0.7
Goods and service tax receivable	9.0	12.5
Less : Provision on Goods and service tax receivable	(9.0)	(12.5)
	<u>0.7</u>	<u>0.7</u>
12. Other financial liabilities		
Employee benefits payable	11.2	4.9
Other payables	9.7	7.0
	<u>20.9</u>	<u>11.9</u>
13. Current tax liabilities (net)		
Provision for income tax (net of advance tax March 31, 2020 ₹ 203.5million, March 31, 2019 ₹ 86.1million)	4.1	4.9
	<u>4.1</u>	<u>4.9</u>
14. Provisions		
Provision for gratuity (Refer note 30)	5.8	5.2
Provision for compensated absences	6.6	5.5
	<u>12.4</u>	<u>10.7</u>
15. Other non-financial liabilities		
Statutory dues payable	2.6	2.2
	<u>2.6</u>	<u>2.2</u>

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	As at March 31, 2020 In ₹ million	As at March 31, 2019 In ₹ million
16. Share capital		
Authorised :		
130,000,000 (as at March 31, 2019 130,000,000) equity shares of ₹ 10/- each	1,300.0	1,300.0
Issued, subscribed and paid up :		
130,000,000 (as at March 31, 2019 130,000,000) equity shares of ₹ 10/- each	1,300.0	1,300.0

A. Reconciliation of the shares outstanding at the beginning and at the end of the year :

	March 31, 2020*		March 31, 2019*	
	No.	In ₹ million	No.	In ₹ million
Balance as at the beginning of the year	13,00,00,000.0	1,300.0	13,00,00,000.0	1,300.0
Add : Issued during the year	-	-	-	-
Balance as at the end of the year	13,00,00,000.0	1,300.0	13,00,00,000.0	1,300.0

* 1 equity share held by Nomura Asia Pacific Holdings Co. Ltd. in trust for Nomura Asia Investments (Fixed Income) Pte. Ltd.

B. Rights, preferences and restrictions attached to shares :

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held.

C. Shares held by holding company :

	March 31, 2020*		March 31, 2019*	
	No.	%	No.	%
Nomura Asia Investments (Fixed Income) Pte. Ltd., the holding company	13,00,00,000.0	100.0	13,00,00,000.0	100.0

* 1 equity share held by Nomura Asia Pacific Holdings Co. Ltd. in trust for Nomura Asia Investments (Fixed Income) Pte. Ltd.

D. Details of shareholders holding more than 5% shares in the company

	March 31, 2020*		March 31, 2019*	
	No.	%	No.	%
Nomura Asia Investments (Fixed Income) Pte. Ltd., the holding company	13,00,00,000.0	100.0	13,00,00,000.0	100.0

* 1 equity share held by Nomura Asia Pacific Holdings Co. Ltd. in trust for Nomura Asia Investments (Fixed Income) Pte. Ltd.

	As at March 31, 2020 In ₹ million	As at March 31, 2019 In ₹ million
17. Other equity		
<u>a. Securities premium</u>		
Opening balance	3,247.9	3,247.9
Additions during the year	-	-
Closing balance	A 3,247.9	3,247.9
<u>b. Stock appreciation rights reserve</u>		
Opening balance	7.9	5.8
Additions during the year	1.0	2.1
Closing balance	B 8.9	7.9
<u>c. Statutory reserve</u>		
Opening balance	449.7	422.9
Additions during the year	13.6	26.8
Closing balance	C 463.3	449.7
<u>d. Retained earnings</u>		
Opening balance	1,790.0	1,682.9
Change in accounting policy (Refer note 44)	(1.2)	-
Total comprehensive income for the year	68.0	133.9
Transfer to statutory reserve	(13.6)	(26.8)
Closing balance	D 1,843.2	1,790.0
	A+B+C+D	5,495.5

Nature and purpose of reserves

a. Securities premium

Securities premium reserve is used to record premium received on issue of shares. The reserves can be utilised only for limited purposes, in accordance with the provisions of the Companies Act, 2013.

b. Stock appreciation rights reserve

Stock appreciation rights reserve is stock appreciation rights allotted to certain categories of employees of the company by Nomura Holdings Inc. (ultimate parent).

c. Statutory reserve

Statutory reserve is reserve maintained under section 45-IC of the Reserve Bank of India Act, 1934.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to accounts for the year ended March 31, 2020

18. Interest income

	Year ended March 31, 2020		(In ₹ million)
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total
	Interest on loans	126.1	-
Interest income from investments	196.6	332.6	529.2
	322.7	332.6	655.3

	Year ended March 31, 2019		(In ₹ million)
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total
	Interest income from investments	85.8	430.1
Other interest income	0.0	-	0.0
	85.8	430.1	515.9

	Year ended March 31, 2020 In ₹ million	Year ended March 31, 2019 In ₹ million
19. Net gain/(loss) on fair value changes		
<u>Net gain/ (loss) on financial instruments at fair value through profit or loss</u>		
i. On trading portfolio		
- Investments	(475.0)	(292.6)
ii. On financial instruments designated at fair value through profit or loss	-	-
A	(475.0)	(292.6)
<u>Others</u>		
B	-	-
A+B	(475.0)	(292.6)
<u>Fair value changes</u>		
i. Realised	212.8	(44.4)
ii. Unrealised	(687.8)	(248.2)
	(475.0)	(292.6)
20. Other Income		
i. Reversal of goods and service tax receivable	7.2	1.3
ii. Recharge to group companies	19.9	14.0
	27.1	15.3
21. Finance cost [measured at amortised cost]		
i. Interest on commercial paper	-	7.1
ii. Interest on lease liability	5.4	-
	5.4	7.1
22. Fees and commission expense		
i. Brokerage and stamp duty	1.3	1.7
ii. Custodian, depository and clearing charges	0.2	0.2
	1.5	1.9

	Year ended March 31, 2020 In ₹ million	Year ended March 31, 2019 In ₹ million
23. Impairment on financial instruments [measured at amortised cost]		
i. Investments	7.4	2.2
	7.4	2.2
24. Employee benefits expense		
i. Salaries and wages	50.0	41.3
ii. Contribution to provident and other funds	2.3	2.1
iii. Stock appreciation rights payment to employees (Refer note 31)	1.0	2.1
iv. Staff welfare expenses	0.9	0.7
v. Gratuity (Refer note 30)	0.5	0.6
	54.7	46.8
25. Depreciation, amortization and impairment		
i. Depreciation on property, plant & equipments	0.0*	-
ii. Depreciation on right to use assets (Refer note 10)	7.8	-
iii. Amortisation of intangible assets	0.0*	0.2
	7.8	0.2
* Below the rounding off norms adopted by the Company		
26. Other expenses		
i. Rent, taxes and energy costs	2.3	14.4
ii. Repairs and maintenance	2.8	3.0
iii. Auditor's fees and expenses*	1.8	2.3
iv. Legal and professional charges	23.0	25.2
v. Corporate social responsibility**	7.6	8.9
vi. Support cost recharge	22.8	22.6
vii. Market data expense	3.4	4.6
viii. Interest u/s 234C of Income Tax Act, 1961	1.9	0.2
ix. Other expenditure	0.1	0.5
	65.7	81.7
* Auditor's fees and expenses comprise for :		
a. Statutory audit	1.4	1.8
b. Tax audit	0.2	0.2
c. Other services	0.1	0.2
d. Reimbursement of expenses	0.1	0.1
	1.8	2.3
** Corporate social responsibility comprise of :		
a. Gross amount required to be spent by the entity during the year	7.5	8.8
b. Amount spent during the year :		
- Construction/acquisition of any asset	-	0.7
- On purpose other than above	7.6	8.2
	7.6	8.9

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Notes to Financial Statements for the year ended March 31, 2020

27. Fair value of financial instruments

1. Fair valuation

Fair value is the price that would be received, to sell an asset, or paid, to transfer a liability, in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell an asset or transfer a liability would take place either:

- a) In the principal market for an asset or liability or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

Level 1: The financial instrument which is measured at a quoted price. This category includes corporate bonds quoted by Fixed Income Money Market and Derivatives Association of India ("FIMMDA").

Level 2: The financial instrument that is not quoted in an active market. Such instrument is measured using various valuation techniques. The inputs for these valuation techniques are : a) quoted price of similar instrument in an active market, b) quoted price of identical or similar instrument in a market that is not active, c) inputs other than quoted price that are observable for an instrument (e.g. yield curves, credit spreads, implied volatilities, etc.), d) market-corroborated inputs. This category includes corporate bonds not quoted by FIMMDA.

Level 3: The financial instrument for which one or more significant inputs are not based on observable market data.

2. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following tables show the classification of the financial assets and liabilities:

As at March 31, 2020

In ₹ million

Particulars	Carrying amount			
	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Cash and cash equivalents	-	-	18.6	18.6
<u>Receivables</u>				
- Trade receivables	-	-	60.0	60.0
Investments	5,863.6	-	412.5	6,276.1
Other financial assets	-	-	258.3	258.3
	5,863.6	-	749.4	6,613.0
Financial liabilities				
Lease liability	-	-	68.1	68.1
Other financial liabilities	-	-	20.9	20.9
	-	-	89.0	89.0

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

As at March 31, 2019		In ₹ million		
Particulars	Carrying amount			
	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Cash and cash equivalents	-	-	85.4	85.4
Receivables				
- Trade receivables	-	-	25.6	25.6
Investments	5,443.2	-	687.5	6,130.7
Other financial assets	-	-	449.1	449.1
	5,443.2	-	1,247.6	6,690.8
Financial liabilities				
Other financial liabilities	-	-	11.9	11.9
	-	-	11.9	11.9

The following tables show the fair value hierarchy of the financial assets and liabilities measured at fair value:

As at March 31, 2020		In ₹ million		
Particulars	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	-	-	-	-
Receivables				
- Trade receivables	-	-	-	-
Investments	4,101.8	1,371.8	390.0	5,863.6
Other financial assets	-	-	-	-
	4,101.8	1,371.8	390.0	5,863.6
Financial liabilities				
Lease liability	-	-	-	-
Other financial liabilities	-	-	-	-
	-	-	-	-

As at March 31, 2019		In ₹ million		
Particulars	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	-	-	-	-
Receivables				
- Trade receivables	-	-	-	-
Investments	2,695.8	2,747.4	-	5,443.2
Other financial assets	-	-	-	-
	2,695.8	2,747.4	-	5,443.2
Financial liabilities				
Other financial liabilities	-	-	-	-
	-	-	-	-

There has been no transfer of above financial asset/liability from level 1 to level 2 and from level 2 to level 1.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

B. Measurement of fair values

Corporate bonds

Quoted corporate bonds are fair valued using weighted average market price published by FIMMDA which aggregate the price at which the corporate bonds have traded on the recognised exchanges (with minimum ₹ 50million turnover and 1 trade) over the last 15 calendar days. If the corporate bonds have not traded on any recognised exchange over the last 15 calendar days, then the price is derived using a financial calculator published by FIMMDA.

The following tables show the valuation techniques used in measuring Level 2 fair values, for financial instrument measured at fair value in the statement of financial position:

Financial instruments measured at fair value:

As at 31 March 2020

Type	Fair Value	Valuation technique	In ₹ million
			Significant observable inputs
Corporate Bonds	1,371.8	Discounted cash flow	Rating based spread

As at 31 March 2019

Type	Fair Value	Valuation technique	In ₹ million
			Significant observable inputs
Corporate Bonds	2,747.4	Discounted cash flow	Rating based spread

C. Movements in Level 3 financial instruments measured at fair value

The following table show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value.

Particulars	As at April 1, 2019	Purchase /(Sale)	Transfer into Level 3	In ₹ million	
				As at March 31, 2020	Unrealised losses
Investments					
Corporate bonds	-	-	390.0	390.0	885.9
Total	-	-	390.0	390.0	885.9

D. Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The below table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 assets.

As at March 31, 2020

Particulars	Fair value of Level 3 assets	Valuation technique	In ₹ million
			Significant unobservable inputs
Investments – Corporate bonds	390.0	Discounted cash flow	a. Recovery rates b. Discount margin/spreads
Total	390.0		

Previous year: NIL

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E. Quantitative analysis of significant unobservable input

a. Recovery rates:

Recovery rates reflect the estimated loss that the Group will suffer given expected defaults. The recovery rate is given as a percentage and reflects the opposite of loss severity (i.e. 100% recovery reflects 0% loss severity). In line with general market convention, loss severity is applied to asset-backed securities while recovery rate is more often used as pricing input for corporate or government instruments. Higher loss severity levels / lower recovery rates indicate lower expected cash flows upon the default of the instruments. Recovery rates for complex, less liquid instruments are usually unobservable and are estimated based on historical data.

b. Discount margin/spreads:

Discount margin/spreads represent the discount rates used when calculating the present value of future cash flows. In discounted cash flow models such spreads are added to the benchmark rate when discounting the future expected cash flows. Hence, these spreads reduce the net present value of an asset or increase the value of a liability. They generally reflect the premium an investor expects to achieve over the benchmark interest rate to compensate for the higher risk driven by the uncertainty of the cash flows caused by the credit quality of the asset. They can be implied from market prices and are usually unobservable for illiquid or complex instruments.

F. Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology. The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favorable/unfavorable range.

In ₹ million

Particulars	March 31 2020		March 31 2019	
	Favorable changes	Unfavorable changes	Favorable Changes	Unfavorable Changes
Investments – Corporate bonds	1050.0	380.0	-	-
Total	1050.0	380.0	-	-

G. Fair value of financial assets and liabilities not measured at fair value

As at March 31, 2020

In ₹ million

Particulars	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets				
Cash and cash equivalents*	18.6	-	-	-
Receivables				
- Trade receivables*	60.0	-	-	-
Investments	412.5	-	-	528.2
Other financial assets*	258.3	-	-	-
	749.4	-	-	528.2
Financial liabilities				
Lease liability*	68.1	-	-	-
Other financial liabilities*	20.9	-	-	-
	89.0	-	-	-

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As at March 31, 2019		In ₹ million		
Particulars	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets				
Cash and cash equivalents*	85.4	-	-	-
Receivables				
- Trade receivables*	25.6	-	-	-
Investments	687.5	-	-	845.9
Other financial assets*	449.1	-	-	-
	1,247.6	-	-	845.9
Financial liabilities				
Other financial liabilities*	11.9	-	-	-
	11.9	-	-	-

*Carrying value of the Company's financial assets and liabilities, which are not carried at fair value, are assumed to be their approximate fair value, owing to their short term residual maturity.

28. Financial risk management

i. Risk management framework

The Company is exposed to financial risks, including the effects of changes in foreign exchange rates (currency risk), interest rate risk, credit risk and liquidity risk.

Managing these financial risks forms an integral part of the Company's business. The Company's risk management framework includes a variety of controls and reporting processes. These include the parameters for the risks that the Company may undertake for various financial instruments, guidelines for accepting customers and terms under which the business is being conducted, setting up appropriate risk limits and controls and monitor risks and adherence to the set limits. Risk management processes and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company believes it has effective processes in place to identify measure, monitor and mitigate these financial risks.

The Company's Board of Directors ("Board") are responsible for oversight of risk management approach and for approving the risk strategies and principles. The Board is assisted in its oversight role by the Risk Management Committee and various other corporate functions, which includes Credit and Market risk management. The oversight role includes monitoring compliance with the Company's risk management framework and reviewing its adequacy.

Internal audit also undertakes both, regular and ad hoc, review of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Credit risk is the risk of loss arising from an obligor or counterparty's default, insolvency or administrative proceeding which results in the obligor's failure to meet its contractual obligations in accordance with agreed terms. Credit risk for the Company is managed by Credit Risk Management ("CRM") function within the Risk Management Division.

Processes for managing credit risk include:

- 1) Evaluation of likelihood that counterparty defaults on its payments and obligations;
- 2) Assignment of internal ratings to all active counterparties;
- 3) Approval of extensions of credit and establishment of credit limits;
- 4) Measurement, monitoring and management of the firm's current and potential future credit exposures;
- 5) Setting credit terms in legal documentation, including margin terms; and
- 6) Use of appropriate credit risk mitigants, including netting, collateral and hedging.

I. Credit quality analysis

a. Cash and cash equivalents

Balances with bank are current account balances remaining unutilised as at the reporting date.

The Company believes these assets to be of high credit quality; hence no provision for expected credit loss is made.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
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b. Trade Receivable

Trade receivable includes receivable from last day settlement of liquid mutual funds.

Receivable from mutual funds are usual settled on T+1. Since the Company has not experienced any historic default from these mutual funds, the Company believes these assets to be of high quality with low credit risk. Hence no provision for expected credit loss ("ECL") is made.

As at March 31, 2020, the Company's most significant customer accounted for ₹ 60.0 million of the trade receivables (March 31, 2019 ₹ 25.6million).

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

	In ₹ million	
	As at March 31, 2020	As at March 31, 2019
Neither past due nor impaired	-	-
Current	60.0	25.6
1-30 days past due	-	-
31-60 days past due	-	-
61-90 days past due	-	-
More than 90 days past due	-	-
	60.0	25.6

c. Loans

Loans made by the Company consist of corporate loans.

As at March 31, 2020, the Company has no loans outstanding. (Previous year: NIL)

d. Investments [measured fair value]

Of the investments held (and measured at fair value), the Company has classified its investments in Dewan Housing Finance Limited ("DHFL") and Vodafone Idea Limited ("VIL") as high credit risk investments. In case of DHFL, the Company has investments of ₹ 240million (fair value). These investments has been rated "D" by independent credit rating agencies. Post the initiation of insolvency proceedings, the Company has significantly marked down these investments and valued them using the amounts expected to be recovered.

In case of VIL, the Company has investments of ₹ 150million (fair value). These investments are unlisted and has been rated "B" by independent credit rating agencies (a significant downgrade from "A+" as at March 31, 2019). Owing to present condition of the telecom sector, the Company has significantly marked down these investments and valued them using the amounts expected to be recovered.

e. Investments [measured at amortised cost]

Investments of the Company (which are classified as amortised cost), as at March 31, 2020, consist of investment in corporate bond, and as at March 31, 2019 include pass through certificates. Both are classified as held till maturity.

Though Company believes these assets to be of high quality, the Company has computed and made a provision for ECL.

	In ₹ million	
	As at March 31, 2020	As at March 31, 2019
Neither past due nor impaired	-	-
Current	432.4	700.0
1-30 days past due	-	-
31-60 days past due	-	-
61-90 days past due	-	-
More than 90 days past due	-	-
	432.4	700.0

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
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f. Staging for investments and loans [measured at amortised cost]

In ₹ million

Particulars	As at March 31, 2020	As at March 31, 2019
	12 month ECL (Stage 1)	12 month ECL (Stage 1)
Loans/Long term investments	-	-
Rated A and above	-	-
Rated BBB	-	-
Rated BB	-	-
Rated B	432.4	700.0
Rated CCC and below	-	-
Unrated	-	-
Less: Impairment allowance	(19.9)	(12.5)
	412.5	687.5

g. Other financial assets*

Other financial assets include interest accrued on investments and amount receivable from the Company's group companies.

The Company believes these assets to be of high quality with low credit risk; hence no provision for expected credit loss is made.

*includes interest accrued on bonds classified under amortised cost on which provision for expected credit loss has been made.

II. Amounts arising from ECL

a. Inputs, assumptions and techniques used for estimating impairment

Inputs and assumptions considered in ECL Model

The measurement of ECL through the general impairment model is typically determined within the Company using loss rate models or discounted cash flow models depending on the relevant staging of the financial instrument.

A loss rate model measures ECL for an individual or portfolio of similar financial instruments through development of loss rates calculated through an estimate of the probability of default ("PD") of the obligor and loss given default ("LGD") which is applied to the expected credit exposure of the obligor at default ("CEAD").

In order to determine whether 12 month or lifetime ECL is used, each financial asset is assessed for impairment, classified at each reporting date into one of following three stages of credit quality deterioration since the financial asset was initially recognised.

Stage 1: Performing financial assets for which there has been no significant deterioration in credit quality since initial recognition.

Stage 2: Underperforming financial assets for which there has been a significant deterioration in credit quality since initial recognition but which are not credit-impaired; and

Stage 3: Non-performing financial assets for which there has been a significant deterioration in credit quality since initial recognition and which have become credit-impaired.

The 12-month ECL is the portion of Lifetime ECL that represents the loss resulting from default events on financial assets that are possible within the 12 months after the reporting date.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

PD inputs are determined by class of financial asset and by internal Nomura credit rating applied to each financial asset. PD inputs used by the Company are sourced from industry data and validated based on historical experience.

In case internal Nomura credit rating is not available for stage 1 assets, which are performing, then lowest rating of performing assets shall be used for the purposes of ECL calculation on a conservative basis.

For Stage 1 assets, a 12 month PD is considered, for Stage 2 assets a lifetime PD is considered and Stage 3 assets 100% PD is applied.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

LGD inputs are determined by class of financial asset, based on historical experience of loss and recovery rates for similar financial asset and other relevant industry data. Where appropriate, LGD inputs are adjusted to reflect the impact of collateral and other integral credit enhancements.

Estimates and forward looking techniques

The Company has applied the following estimation technique for ECL model:

- Through-the-cycle (“TTC”) PD preparation: TTC cumulative PDs up to 5 year are prepared by referring to S&P’s historic rating migration data.
- Scenario Point-in-time (“PIT”) PD construction: PIT PDs on each scenario are constructed from TTC PDs. In the conversion from TTC PD to PIT PD, scenario credit spread provided is used to incorporate forward looking information and credit cycle. Four scenario (upside, base, moderate downside, and severe down side) are applied.
- Probability weighted PIT PD computation: Scenario PIT PDs are summed up weighted by a probability of each scenario happening (probability weighted PIT PDs).
- LGD inputs are determined by class of financial asset, based on historical experience of loss and recovery rates for similar financial asset and other relevant industry data.

Assessment of significant increase in credit risk

A financial asset that is not credit-impaired on initial recognition is initially classified into stage 1 and is subsequently continuously monitored to determine whether a significant increase in credit risk has occurred, at which point the financial asset is reclassified to stage 2.

A determination of whether a significant increase in credit risk has occurred at each reporting date will be through a comparison of Nomura internal credit rating applied to the financial instrument at initial recognition and at the reporting date.

A financial asset will be reclassified as per the below table:

		From (Initial Recognition)																		
To		AAA	AA+	AA	AA-	A+	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	D
(Reporting Date)		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
AAA	1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
AA+	2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
AA	3	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
AA-	4	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
A+	5	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
A-	6	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
BBB+	7	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
BBB	8	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
BBB-	9	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
BB+	10	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
BB	11	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
BB-	12	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1
B+	13	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1
B	14	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1
B-	15	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1
CCC	16	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1
CC	17	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3
C	18	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3
D	19	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3

If there is a further deterioration in credit risk such that the financial asset becomes credit-impaired, the financial asset is then reclassified into stage 3.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

Credit impaired financial asset

A financial asset is considered credit impaired when an obligor fails to make payments in full and on time of any financial obligations, markedly disadvantageous modification to a contractual term compared with the existing obligation, bankruptcy filings, administration, receivership, liquidation or other winding-up or cessation of business of an obligor or other similar situations.

Policy for write off of loan assets

Credit-impaired financial asset individually assessed for impairment are typically written-off when further cash flows are deemed uncollectible and when all commercially reasonable means of recovering outstanding principle and interest balances have been exhausted. Such a determination is based on factors such as the occurrence of significant changes in the obligor's financial position such that the obligor can no longer pay the obligation, or that the proceeds from collateral will not be sufficient to pay amounts due.

b. Loss allowances

In ₹ million

Particulars	2019-20	2018-19
	Loss allowance measured at 12 month expected losses	
Loans [measured at amortised cost]		
Balance at April 01	-	-
Net remeasurement of loss allowance	-	-
Balance at March 31	-	-
Investments [measured at amortised cost]		
Balance at April 01	12.5	10.3
Net remeasurement of loss allowance	7.4	2.2
Balance at March 31	19.9	12.5

- There are no loans and advances outstanding as on reporting date March 31, 2020. (Previous year: NIL)
- The entire 100% concentration of risk in Investments at amortised cost i.e. to a single party pertains to the aviation industry in India
- The carrying value of investments measured at fair value through profit or loss represent the maximum exposure to credit risk.

III. Disclosure pursuant to RBI/2019-20/170/DOR (NBFC).CC.PD.No.109/22.10.106/2019-20
 "Implementation of Indian Accounting Standards" dated March 13, 2020

In ₹ million

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying amount as per Ind AS*	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing assets						
Standard	Stage 1	548.1	19.9	528.2	1.7	18.2

*Includes accrued interest.

c. **Offsetting**

No offsetting exists as at March 31, 2020. (Previous year: NIL)

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

iii. Market risk

Market risk is the risk of loss arising from fluctuations in the value of financial assets and liabilities (including off-balance sheet items) due to fluctuations in market risk factors (interest rates, foreign exchange rates, prices of securities and others). Market risk primarily impacts the Company's investing activities.

Effective management of market risk requires the ability to analyse a complex and constantly changing global market environment, identify problematic trends and ensure that appropriate action is taken in a timely manner.

The Company uses a variety of complementary tools to measure, model and aggregate market risk. The Company's principal statistical measurement tool to assess and monitor market risk on an ongoing basis is Value at Risk ("VaR"). Limits on VaR are set in line with Company's risk appetite as expressed through regulatory capital. Market risk is monitored against a set of approved limits, with daily reports and other management information provided to the business units and senior management.

a. Total market risk exposure

In ₹ million

Particulars	March 31, 2020			Primary risk
	Carrying amount	Traded risk	Non-Traded risk	
Financial assets				
Cash and cash equivalents	18.6	-	18.6	
Receivables				
- Trade receivables	60.0	-	60.0	
Investments	6,276.1	5,473.6	802.5	Interest rate risk
Other financial assets	258.3	-	258.3	
	6,613.0	5,473.6	1,139.4	
Financial liabilities				
Lease liability	68.1	-	68.1	
Other financial liabilities	20.9	-	20.9	
	89.0	-	89.0	

In ₹ million

Particulars	March 31, 2019			Primary risk
	Carrying amount	Traded risk	Non-Traded risk	
Financial assets				
Cash and cash equivalents	85.4	-	85.4	
Receivables				
- Trade receivables	25.6	-	25.6	
Investments	6,130.7	5,443.2	687.5	Interest rate risk
Other financial assets	449.1	-	449.1	
	6,690.8	5,443.2	1,247.6	
Financial liabilities				
Other financial liabilities	11.9	-	11.9	
	11.9	-	11.9	
	6,678.9	5,443.2	1,235.7	

Value at Risk (VaR)

VaR is a measure of the potential loss in the value of the Company's investment positions due to adverse movements in markets over a defined time horizon with a specified confidence level. Market risks that are incorporated in the VaR model include bond prices, interest rates, credit and foreign exchange rates with associated volatilities and correlations.

VaR metrics

The 1 day VaR at 99% confidence level as of each of the dates indicate are as follows:

VaR as at March 31, 2020 - ₹ 46.8 million

VaR as at March 31, 2019 - ₹ 27.8million

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

Assumptions

The Company uses a single VaR model in order to determine the total VaR for the Company. The Company's VaR methodology uses historical simulation to estimate potential profit or loss. Historical market moves are repeatedly applied to current exposure, forming a distribution of simulated portfolio returns. From this distribution the required potential losses can be estimated at required confidence levels or probabilities. VaR is calculated at a 99% confidence level and using a 1-day time horizon.

The VaR model uses a default historical time window of two years (520 business days). For risk management and VaR back testing, the Company uses an exponential weighted moving average VaR. For the calculation of VaR, the probability weight assigned to each measure of estimated profit or loss in the historical simulation scenarios depends on when it occurred. The older the observation, the lower the weight.

The Company's VaR model uses time series for each individual underlying, whenever available. Whenever a time series cannot be found for a specific underlying, the VaR model will follow 'proxy logic' to map the exposure to an appropriate time series. The level of proxying taking place in the VaR model is carefully monitored through internal risk management processes and there is a continual effort to source new time series to use in the VaR calculation.

Objectives and Limitations of the VaR methodology

The main advantage of VaR as a risk measure is that it is able to aggregate risk from different asset classes (in contrast with other risk measures sensitivities that cannot be easily aggregated directly). The risk from different products of the Company can therefore easily be compared and aggregated using VaR.

As a risk measure, however, VaR has certain limitations. One of the main disadvantages with VaR is that it is a backward-looking risk measure. Using historical market moves to estimate future losses assumes that only events that have actually happened in the past are relevant to analyse the risk of a portfolio.

In addition, VaR only gives an estimate of the loss at a stated 99th percentile (i.e. in one out of 100 days the loss will be greater than 1-day VaR), but not what the magnitude of loss could be whenever the loss does exceed VaR.

VaR as a risk measure is most appropriate for liquid markets and may understate the financial impact of severe events for which there is no historical precedent on where market liquidity may not be reliable. In particular, historical correlations can break down in extreme markets leading to unexpected relative market moves. This may make positions that off-set each other in VaR modelling move in the same direction thus increasing losses.

Given the limitations of the VaR model, the Company uses VaR only as one component of a diverse market risk management process

iv. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

Exposure to interest rate risk for non-trading financial assets and liabilities:

The Company does not have any floating rate financial assets and liabilities as at the reporting date, therefore a change in interest rate would not affect profit and loss.

v. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to currency risk on account of its trading activities in exchange traded currency futures. The functional currency of the Company is Indian Rupee (₹).

At present, the Company does not have any exposure in foreign currency. (Previous year: NIL)

vi. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in raising funds to meet its working capital requirements and commitments, including those associated with financial instruments.

The Company's liquidity risk appetite is defined by the requirement to maintain sufficient liquidity (through holding a highly liquid pool of high quality, unencumbered assets that can be monetized) across market cycles and periods of stress such that all funding requirements and unsecured debt obligations falling due within the two separately defined stress scenarios can be met without the need to roll unsecured financing.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
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The Company has established an Asset and Liability Committee (“ALCO”) to define its policy relating to funding and liquidity risk.

The Company’s finance department monitors, on an ongoing basis, the Company’s funding requirements and its forecasts, maturity mismatches and liquidity ratios in order to enable the Company meet its short-term funding requirements.

The Company maintains a portfolio of highly liquid and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow. Liquidity risk is also mitigated through the close monitoring of exposure to avoid undue concentration.

Exposure to liquidity risk

As at March 31, 2020

In ₹ million

Particulars	Carrying amount	Contractual cash flows									
		1 to 7 days	8 to 14 days	15 to 30/31 days	Over 1 to 2 months	Over 2 to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Financial assets											
Cash and cash equivalents	18.6	18.6	-	-	-	-	-	-	-	-	-
Receivables											
- Trade receivables	60.0	60.0	-	-	-	-	-	-	-	-	-
Loans ^s	-	-	-	-	-	-	-	-	-	-	-
Investments* s	6,276.1	1,048.9	3,795.5	-	629.2	-	150.0	412.5	90.0	-	150.0
Other financial assets*	258.3	21.7	78.1	9.8	-	-	29.8	107.6	4.2	-	7.1
Foreign currency assets ^s	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities											
Borrowings ^s	-	-	-	-	-	-	-	-	-	-	-
Debt securities ^s	-	-	-	-	-	-	-	-	-	-	-
Lease liability	68.1	-	-	0.5	0.5	0.5	1.4	2.9	13.0	15.2	34.1
Other financial liabilities	20.9	-	-	10.3	10.6	-	-	-	-	-	-
Deposits ^s	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities ^s	-	-	-	-	-	-	-	-	-	-	-
Inflows	6,613.0	1,149.2	3,873.6	9.8	629.2	-	179.8	520.1	94.2	-	157.1
Outflows	89.0	-	-	10.8	11.1	0.5	1.4	2.9	13.0	15.2	34.1

^sDisclosure pursuant to Annexure XIV of RBI/DNBR/2016-17/45 Master Directions DNBR.PD.004 /03.10.119/2016-17 Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 (as updated on February 17, 2020).

*Investments and accrued interest on investments are classified as per the “Liquidity risk framework” adopted by the Company based on RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

As at March 31, 2019

In ₹ million

Particulars	Carrying amount	Total	Contractual cash flows							
			Up to 30/31 days	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 to 5 years	Over 5 years
Financial assets										
Cash and cash equivalents	85.4	85.4	85.4	-	-	-	-	-	-	-
Receivables										
- Trade receivables	25.6	25.6	25.6	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Investments ^{# s}	6,130.7	6,143.2	5,000.0	443.2	-	-	700.0	-	-	-
Other financial assets	449.1	449.1	276.6	-	-	-	172.5	-	-	-
Foreign currency assets	-	-	-	-	-	-	-	-	-	-
Financial liabilities										
Borrowings	-	-	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	11.9	11.9	7.5	2.8	-	0.5	0.8	0.3	-	-
Deposits	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-
Inflows	6,690.8	6,703.3	5,387.6	443.2	-	-	872.5	-	-	-
Outflows	11.9	11.9	7.5	2.8	-	0.5	0.8	0.3	-	-

[#]All listed corporate bonds will be placed in the "1 day to 30/31 days" buckets depending on the defeasance period as defined in the Company's Asset Liability Management ("ALM") Policy.

29. Capital Management

The Company's objectives when managing capital are:

- To maintain adequate level of capital to ensure compliance with prevailing regulatory requirements.
- To safe guard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain an optimal capital structure to reduce the cost of capital.

The Board seeks to maintain a balance between the higher returns on capital that might be possible by running higher levels of leverage and the advantages and security afforded by a sound capital position.

Leverage Ratio

The Company monitors capital using 'borrowing' to 'net owned funds' ratio. For this purpose, 'net owned funds' comprises of all components of equity less intangible assets (including capital work in progress) and deferred tax asset.

It is the Company's policy to keep this ratio below, 2 times of net owned funds or borrowings of ₹ 10,000 million, whichever is lower. The Company's borrowing to net owned funds ratio at March 31, 2020, along with the comparative, was as follows:

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

Particulars	In ₹ million	
	As at March 31, 2020	As at March 31, 2019
Total borrowings (lease liability)	68.1	-
Net owned funds	6,616.1	6,712.5
Adjusted net debt to equity ratio	0.01	-

30. Employee Benefits

The Company contributes to the following post-employment defined benefit plans in India.

i) Defined contribution plans:

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contribution is due. The Company has no obligation, other than the contribution payable to the provident fund.

ii) Defined benefit plan:

A defined benefit plan is a post-employment benefit plan, other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employee has earned in return for their service in the Company. Present value of such future benefit becomes the liability to the Company. Any unrecognized past service cost is considered while calculating this liability. The discount rate is determined using the government bond yield, published by FIMMDA, of the maturity equivalent to the expected term of the obligation.

Remeasurements of the net defined benefit liability, which comprise of actuarial gains and losses, are recognised immediately in "other comprehensive income."

The Company determines the net interest expense on the net defined benefit liability for the year by applying the discount rate used to measure the defined benefit obligation to the beginning of the period balance of net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

Gratuity liability is a defined benefit obligation, calculated by an actuary, using projected unit credit method at end of each financial year. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of other comprehensive income.

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and exposes the Company with the following risks:

a) Interest rate risk

A fall in the discount rate which is linked to the government bond yield will increase the present value of the liability requiring a higher provision.

b) Salary increment risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

c) Asset liability matching ("AL") risk

The plan faces the AL risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds as the defined benefit plan of the Company is unfunded.

d) Mortality risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

e) Regulatory risk

Risk associated with change in regulation.

In ₹ million

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligation	(5.8)	(5.2)
Fair value of plan assets	-	-
Funded status (Surplus/(Deficit))	(5.8)	(5.2)
Non-current	(4.9)	(4.4)
Current	(0.9)	(0.8)

A. Movement in net defined benefit (asset) / liability

The following table shows reconciliation from the opening balance to the closing balances for net defined benefit liability and its components.

In ₹ million

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligation		
a. Opening balance	5.2	4.5
Included in statement of profit & loss:		
b. Current service cost	0.1	0.2
c. Past service cost	-	-
d. Transfer in/out	-	-
e. Interest cost	0.4	0.4
f. Benefits paid	-	-
g. Sub-total (a+b+c+d+e+f)	5.7	5.1
Included in other comprehensive income		
h. Demographic assumption	-	0.2
i. Financial assumption	0.2	0.0*
j. Experience assumption	(0.1)	(0.1)
k. Closing balance (g+h+i+j)	5.8	5.2

* Below the rounding off norms applied by the Company.

B. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate	6.59%	7.48%
Salary escalation	7.00%	8.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	
Employee turnover rate (for different age groups)	12.00%	12.00%

The estimate of future salary increases, considered in actuarial valuation takes into consideration inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

ii. Amount for the current and previous two periods are as follows:

Particulars	In ₹ million	
	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	(5.8)	(5.2)
Plan assets	-	-
Surplus/(deficit)	(5.8)	(5.2)
Experience gain /(loss) adjustments on plan liabilities	(0.1)	(0.1)
Actuarial gain/(loss) due to change in assumptions	0.2	0.2

C. Expenses recognized in statement of profit & loss

Particulars	In ₹ million	
	March 31, 2020	March 31, 2019
Current service cost	0.1	0.2
Net interest cost	0.4	0.4
Past service cost	-	-
Expected contributions by the employees	-	-
(Gains)/losses on curtailments and settlements	-	-
Net effect of changes in foreign exchange rates	-	-
Expenses recognised	0.5	0.6

D. Expenses recognized in OCI

Particulars	In ₹ million	
	March 31, 2020	March 31, 2019
Actuarial (gains)/losses on obligation for the period	0.1	0.0*
Return on plan assets, excluding interest income	-	-
Change in asset ceiling	-	-
Net (income)/expense for the period recognized in OCI	-	-
	0.1	0.0*

* Below the rounding off norms applied by the Company.

E. Sensitivity analysis

The sensitivity analyses have been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting date, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

Particulars	In ₹ million			
	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
	Gratuity		Gratuity	
Delta effect of +1% change in rate of discounting	-	0.3	-	0.2
Delta effect of -1% change in rate of discounting	0.3	-	0.3	-
Delta effect of +1% change in rate of salary increase	0.1	-	0.1	-
Delta effect of -1% change in rate of salary increase	-	0.1	-	0.1
Delta effect of +1% change in rate of employee turnover	0.1	-	0.1	-
Delta effect of -1% change in rate of employee turnover	-	0.1	-	0.1

* Below the rounding off norms applied by the Company.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

iii. Other long term employee benefits.

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognizes the charge to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on valuation by an independent actuary. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit and leave expected to be carried forward beyond 12 months, as long term employee benefit.

31. Stock appreciation rights

Equity-settled compensation scheme

The ultimate holding company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the operations of the Group. The reserve represents the equity-settled share options in the shares of the ultimate holding company, Nomura Holding Inc., granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled options of the ultimate holding company.

The vesting period of the share options is from the grant date until the commencement of the exercise period. The fair value of the share options as of grant date is estimated using a Trinomial Tree option model and using the following assumptions:

- Expected dividend yield based on the current dividend rate at the grant date;
- Expected volatilities based on historical volatility of the ultimate parent's common stock;
- The risk free interest rate estimate based on yen swap rate with a maturity equal to the expected lives of options
- Expected lives of the awards determined based on historical experience and
- Share price of the ultimate parent's common stock;

The following table lists the inputs to the model used for the options outstanding as of March 31, 2020:

Grant date	Dividend yield	Volatility	Risk-free interest rate	Expected life of share option	Share price
	%	%	%	Year	¥
June 05, 2015	1.68	23.68	0.33	5 - 7	848
June 09, 2017	1.67	25.40	0.03	5 - 7	683

The following share options were outstanding under the plans during the year:

Particulars	Number of options	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening balance	115.0	207.0
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	(58.0)	(92.0)
Expired during the year	-	-
Transferred during the year	-	-
Closing balance	57.0	115.0
Exercisable at the end of the year	-	-

The weighted average remaining contractual life for the share options outstanding as at March 31, 2020 is 5.73 years (March 31, 2019 5.56 years).

For stock options, the exercise price for options outstanding at 31 March 2020 was ¥1 per share (March 31, 2019 ¥1 per share).

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
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The weighted average share price at the date of exercise for share options exercised during the year was ₹369.77 per share (March 31, 2019: ₹587.19 per share).

The weighted average fair value of options granted during the year was NIL (March 31, 2019: NIL per share).

The charge to the statement of profit & loss account on account of SAR's for the current year is ₹ 1.0million (March 31, 2019 is ₹ 2.1million).

Cash-settled compensation scheme

Supplemental awards such as Notional Stock Units ("NSU"), Notional Indexed Units ("NIU") and Collared Notional Stock Units ("CSU") are granted to the Company's employees. NSU and CSU are linked to the ultimate holding company's stock price whereas NIU is linked to a world stock index quoted by Morgan Stanley Capital International that has graded vesting over three to five years of grant date. All these awards are cash settled.

32. Income Tax and Deferred Tax

1. Amounts recognised in statement of profit and loss

In ₹ million

Particulars	As at March 31, 2020	As at March 31, 2019
Current tax expense		
a. Current year	205.7	91.0
b. Changes in estimates relating to prior years	0.1	0.4
	205.8	91.4
Deferred tax expense		
a. Origination and reversal of temporary differences	(174.6)	(58.3)
b. Change in tax rate	11.3	-
c. Recognition of previously unrecognised tax losses	(0.2)	-
	(163.5)	(58.3)
Tax expense recognised in the statement of profit and loss	42.3	33.1

2. Amounts recognised in other comprehensive income

In ₹ million

Particular	For the year ended March 31, 2020			For the year ended March 31, 2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(0.1)	0.0*	(0.1)	0.0*	0.0*	0.0*

* Below the rounding off norms applied by the Company.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
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3. Reconciliation of effective tax rate

Particulars	In ₹ million	
	As at March 31, 2020	As at March 31, 2019
Profit before tax	110.4	167.0
Tax using the Company's domestic tax rate (Current year 25.17%, Previous year 29.12%)	27.8	48.6
Changes in tax rate	11.3	-
Tax effect of :		
Interest u/s 234C	0.5	0.0*
Non-deductible tax expense	2.9	(15.7)
Changes in estimates related to prior year	-	0.4
Recognition of previously unrecognised deductible temporary difference	(0.2)	(0.2)
	42.3	33.1

* Below the rounding off norms applied by the Company.

The applicable tax rate in India for the financial year FY 2018-19 was 29.12% which was subsequently decreased to 25.17% for the financial year 2019-20.

The effective tax rate for the year ended March 31, 2020 was 38.2%. (March 31, 2019: 19.8%)

4. Movement in deferred tax balances

Particulars	In ₹ million					
	Opening balance	Change in accounting policy**	Recognised in statement of profit and loss	Recognised in OCI	Deferred tax asset	Deferred tax liability
Provision of deferred bonus	0.4	-	(0.4)	-	-	-
Provision for leave encashment	1.7	-	0.0*	-	1.7	-
Provision for gratuity	1.5	-	(0.1)	-	1.4	-
Provision on GST asset	3.5	-	(1.2)	-	2.3	-
Depreciation	0.0*	-	0.0*	-	0.0*	-
Unrealised loss on inventories	72.3	-	163.3	-	235.6	-
Lease liability	-	0.4	0.6	-	1.0	-
Provision for expected credit losses	3.6	-	1.3	-	4.9	-
Remeasurements of defined benefit plan	-	-	0.0*	0.0*	-	-
	83.0	0.4	163.5	0.0*	246.9	-

* Below the rounding off norms applied by the Company.

** Refer note 44

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

As at March 31, 2019					In ₹ million
Particulars	Opening balance	Recognised in statement of profit and loss	Recognised in OCI	Deferred tax asset	Deferred tax liability
Provision of deferred bonus	0.4	-	-	0.4	-
Provision for leave encashment	1.2	0.5	-	1.7	-
Provision for gratuity	1.3	0.2	-	1.5	-
Provision on GST asset	4.0	(0.5)	-	3.5	-
Depreciation	-	-	-	-	-
Unrealised gain on inventories	14.7	57.6	-	72.3	-
Brokerage	0.1	(0.1)	-	-	-
Provision for expected credit losses	3.0	0.6	-	3.6	-
Remeasurements of defined benefit plan	-	0.0*	0.0*	-	-
	24.7	58.3	-	83.0	-

* Below the rounding off norms applied by the Company.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

33. Earnings Per Share

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Sr. No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A)	Net profit attributable to equity holders of the Company (in ₹ millions)	68.0	133.9
B)	Weighted average number of shares at the end of the year for diluted EPS	130,000,000.0	130,000,000.0
C)	Face value per share	10.0	10.0
D)	Basic and diluted earnings per share	0.52	1.03

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

34. Segment Reporting

Mr. R. Arun has been identified as the Chief Operating Decision Maker (CODM). The CODM regularly reviews the performance reports and makes decisions about allocation of resources.

An operating segment is a component of the Company that engages in business activities from which it earns revenue and incurs expenses, for which discrete financial information is available.

The Company is a Non-banking financial institution and is primarily engaged in lending and investing activities. The Company's operations fall under single business segment.

Further the business operations of the Company are primarily concentrated in India. The Company is considered to operate in the single geographical segment i.e. domestic segment.

Since the Company's current business activities primarily falls within a single business and geographical segment, no additional disclosures are required as per Ind AS 108.

35. Related Party Disclosure

1. Names of related parties:

Nature of relationship	Name of party
Parent company	Nomura Asia Investment (Fixed Income) Pte. Ltd.
Ultimate parent company	Nomura Holdings, Inc.

2. Names of related parties with whom transactions have taken place during the period:

Nature of relationship	Name of party
Fellow subsidiaries	Nomura Services India Private Limited
	Nomura Structured Finance Services Private Limited
	Nomura Financial Advisory and Securities (India) Private Limited
	Nomura Fixed Income Securities Private Limited
	Nomura Investments (Singapore) Pte. Limited
	Nomura Asset Management Co.
Key management personnel	Mr. R. Arun (Date of Appointment: September 28, 2018)
	Mr. Shantanu Sahai (Date of Appointment: March 12, 2019)
	Mr. Manish Lath
	Mr. Vikas Murarka
	Mr. Vipul Chatwani
	Mr. Swapnil Bhoir (Date of Appointment: April 21, 2016; Date of Resignation: March 12, 2019)

FY 2019-20

In ₹ millions

Name of related party	Nature of relationship	Nature of transaction	Transactions during the year ended	Amount outstanding as at
				[Receivable/(Payable)]
Nomura Financial Advisory and Securities (India) Private Limited	Fellow subsidiary	Support cost recharge*	24.0	(2.8)
		Support cross charge (CSR)*	0.1	-
		Fixed asset purchased*	0.2	(0.2)
		Recharge to group companies*	14.3	1.6
Nomura Services India Private Limited	Fellow Subsidiary	Legal and professional fees*	18.8	(1.7)
		Recharge to group companies	0.0**	-

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

Name of related party	Nature of relationship	Nature of transaction	Transactions during the year ended	Amount outstanding as at
				Receivable/(Payable)
Directors (Refer Annexure I)	Key Management Personnel	Short term employee benefits	17.3	(1.3)
		Post-employment benefits	1.0	(0.1)
		Termination benefits	-	-
		Employee share based payments	1.9	(0.5)

*Inclusive of service tax/GST.

Transaction entered with The Nomura Trust and Banking Co. Limited as the trustee of Indian Local Currency Denominated Bond Mother Fund which is managed by Nomura Asset management Co.

36. Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the year presented below:

Particulars	In ₹ million	
	March 31, 2020	March 31, 2019
Lease liability	68.1	-

Particulars	In ₹ million	
	Lease liability	
Net debt as at April 1, 2019	73.7	
Comprises of :		
As per balance sheet	73.7	
Interest accrued	-	
Cash flows	(11.0)	
Interest expense	5.4	
Interest paid	-	
Other non-cash movements		
- Fair value adjustments	-	
- Acquisitions/disposals	-	
Net debt as at March 31, 2020	68.1	
Comprises of :		
As per balance sheet	68.1	
Interest accrued	-	

37. Interest and repayment terms.

a. Terms of commercial paper issued and outstanding are as below:

No commercial paper borrowing were issued in FY 2019-20. There is no outstanding commercial paper as at March 31, 2020.

FY 2018-19

In ₹ million

Series Name	Issuance date	Maturity date	Amount	Coupon rate	Payment frequency
					Interest and principal
CP/2017-18/MISC01/34	March 16, 2018	May 15, 2018	750.0	7.90%	At Maturity

Rating assigned: IND A1+

Date of rating: February 07, 2018

Rating valid up to: February 06, 2019

Rating issued by: India Rating & Research Private Limited

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

Name of related party	Nature of relationship	Nature of transaction	Transactions during the year ended	Amount outstanding as at
				[Receivable/(Payable)]
Nomura Structured Finance Services Private Limited	Fellow Subsidiary	Legal and professional fees*	1.9	(0.1)
Nomura Fixed Income Securities Private Limited	Fellow Subsidiary	Recharge to group companies*	9.1	-
Nomura Investments (Singapore) Pte. Limited	Fellow Subsidiary	Purchase of securities	4,956.4	-
		Sale of securities	2,563.7	-
Nomura Singapore Limited	Fellow Subsidiary	Purchase of securities	802.6	-
Nomura Asset Management Co. #	Fellow Subsidiary	Purchase of securities	446.9	-
		Sale of securities	154.0	-
Directors (Refer Annexure I)	Key Management Personnel	Short term employee benefits	30.7	(8.2)
		Post-employment benefits	1.3	(0.1)
		Termination benefits	-	-
		Employee share based payments	1.6	(0.6)

*Inclusive of goods and service tax.

Transaction entered with The Nomura Trust and Banking Co. Limited as the trustee of Indian Local Currency Denominated Bond Mother Fund which is managed by Nomura Asset management Co.

** Below rounding off norms adopted by the Company.

FY 2018-19

In ₹ millions

Name of related party	Nature of relationship	Nature of transaction	Transactions during the year ended	Amount outstanding as at
				Receivable/(Payable)
Nomura Financial Advisory and Securities (India) Private Limited	Fellow subsidiary	Support cost recharge*	22.9	(1.0)
		Support cross charge (CSR)*	0.2	-
		Recharge to group companies	14.2	1.0
Nomura Services India Private Limited	Fellow Subsidiary	Legal and professional fees*	19.1	(1.2)
Nomura Structured Finance Services Private Limited	Fellow Subsidiary	Legal and professional fees*	1.1	(0.1)
Nomura Fixed Income Securities Private Limited	Fellow Subsidiary	Purchase of securities	3,715.0	-
		Sale of securities	3,970.3	-
		Recharge to group companies*	2.4	-
Nomura Investments (Singapore) Pte. Limited	Fellow Subsidiary	Purchase of securities	2,899.0	-
		Sale of securities	4,216.0	-
Nomura Asset Management Co. #	Fellow Subsidiary	Purchase of securities	196.5	-

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

38. Income/Expenditure in foreign currency: (on accrual basis)

a) Income in foreign currency

Current Year: NIL (Previous Year: NIL)

b) Expenditure in foreign currency

In ₹ million

Particulars	2019-20	2018-19
Other expenses	0.1	0.2
	0.1	0.2

39. Disclosure pursuant to Annexure XIV of RBI/DNBR/2016-17/45 Master Directions DNBR.PD.004/03.10.119/2016-17 Master Direction-Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 (as updated on February 17, 2020).

a. Capital to risk assets ratio (CRAR)

	As at March 31, 2020	As at March 31, 2019
Capital Adequacy Ratio	98.39%	100.61%
Tier 1 Capital Adequacy Ratio	98.09%	100.61%
Tier 2 Capital Adequacy Ratio	0.3%	0.00%
Amount of Subordinated Debt raised as Tier II Capital	-	-
Amount raised by issue of Perpetual Debt instruments	-	-

b. Investments

In ₹ million

	As at March 31, 2020	As at March 31, 2019
1) Value of Investments		
i) Gross value of Investments*		
a) In India	6,296.0	6,143.2
b) Outside India	-	-
ii) Provision for depreciation**		
a) In India	19.9	12.5
b) Outside India	-	-
iii) Net Value of Investment		
a) In India	6,276.1	6,130.7
b) Outside India	-	-
2) Movement of provisions held towards depreciation on Investments**		
i) Opening balance	12.5	10.3
ii) Add: Provision made during the year	7.4	2.2
iii) Less: Write off/ write back of excess provision during the year		-
iv) Closing balance	19.9	12.5

* Includes change in fair value.

** Provision for ECL on investments measured at amortised cost.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

c. Derivatives

a. Interest rate swaps and Forward rate agreements

The Company has not entered into Interest rate swaps and Forward rate agreements during the year 2019-20. (Previous year: NIL)

b. Exchange traded interest rate derivative

The Company has not entered into exchange traded interest rate derivative during the year 2019-20. (Previous year: NIL)

c. Disclosure on risk exposure

The Company has formulated and adopted a Risk Management Framework to identify and take appropriate measures to mitigate the risks impacting the business of the Company.

The Risk Management Framework lays down the procedures for identification of risks, assessment of its impact on the business of the Company and the efficacy of the measures taken to mitigate the same. The risks are evaluated at an inherent and residual level, based on the impact of such risks and the likelihood of its occurrence.

The Risk Management Committee (RMC) is responsible for ensuring that the appropriate methodology, processes and systems are in place for monitoring, identifying and reviewing the risks associated with the business of the Company.

RMC reviews compliance with risk policies, monitors risk limits, reviews and analyzes risk exposure related to specific issues and provides oversight of risk across the Company. The minutes of RMC is placed before the Board for its review and consideration.

The Company also has an investment policy that includes all the derivatives transactions. This policy covers the nature of derivative products, defines a pre-approved risk framework within which the Company can enter into various derivative transactions, and defines risks that can be taken to use derivatives for hedging purposes and to outline accounting and operational processes governing the above.

d. Securitization

The Company has not entered into any securitization transactions during the year 2019-20. (Previous years: NIL).

e. Details of non-performing financial assets purchased/sold

The Company has purchased or sold any non-performing financial assets during the year 2019-20. (Previous years: NIL).

f. Exposures

a. Exposure to real estate sector

(Disclosure also in pursuant to RBI circular no. RBI/2008-09/116 DNBS (PD).CC No.125/03.05.002/2008-2009 dated August 1, 2008)

The Company does not have direct exposure to residential or commercial real estate nor made any investment in mortgage backed securities ("MBS") and other securitized exposures for the year 2019-20. (Previous years: NIL).

b. Exposure to capital markets

In ₹ million

Particulars	As at March 31, 2020	As at March 31, 2019
i. Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
ii. Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible	-	-

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
debentures, and units of equity-oriented mutual funds;		
iii. Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	700.0
iv. Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
v. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi. Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii. Bridge loans to companies against expected equity flows / issues;	-	-
viii. All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Markets	-	700.0

g. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

During the financial year 2019-20, the Company has not exceeded the Single Borrower Limits or the Group Borrower Limits laid down by the Reserve Bank of India (RBI). (Previous years: NIL)

h. Unsecured Advances

The Company has not made any unsecured advances during the current year (Previous years: NIL)

i. Registration obtained from other financial sector regulators

The Company has not obtained registration from any other financial regulator in FY 2019-20. (Previous years: NIL)

j. Disclosures of Penalties imposed by RBI and other regulators

There has been no penalty imposed by RBI or other regulators on the Company during the year 2019-20 (Previous years: NIL)

k. Rating assigned by credit rating agencies and migration of ratings during the year.

i. Ratings Assigned:

Rating Agency: India Ratings and Research Private Limited.

ii. Long-term principal protected equity linked debentures : IND PP-MLDAAAemr/Stable

iii. Short-term commercial paper programme : IND A1+

(March 12, 2020 to March 11, 2021)

iv. There has not been any migration of ratings during the year.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

I. Provisions and contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	In ₹ million	
	As at March 31, 2020	As at March 31, 2019
Provision for depreciation on investments*	7.4	2.2
Provisions towards NPA	-	-
Provision made towards income taxes (Including deferred taxes and tax reversal for prior years)	42.3	33.1
Other Provisions and Contingencies		
- Provision for gratuity	0.5	0.6
- Provision for compensated absences	1.1	1.3
- Provision on goods and service tax asset	(3.5)	(1.3)

*Provision for ECL on investments measured at amortised cost.

m. Drawdown from reserves

The Company has not drawn out any amount from reserves in FY 2019-20. (Previous year: NIL)

n. Concentration of Deposits, Advances, Exposure and NPAs.

a. Concentration of deposits (for deposit taking NBFC)

Particulars	In ₹ million	
	As at March 31, 2020	As at March 31, 2019
Total deposits of twenty largest depositors	NIL	NIL
Percentage of deposit to twenty largest depositors to total deposits of the NBFC	NA	NA

b. Concentration of advances

Particulars	In ₹ million	
	As at March 31, 2020	As at March 31, 2019
Total advances to twenty largest borrowers	NIL	700.0
Percentage of advances to twenty largest borrowers to total advances of the NBFC	NA	100%

c. Concentration of exposures

Particulars	In ₹ million	
	As at March 31, 2020	As at March 31, 2019
Total exposure of twenty largest borrowers	6,532.8	6,578.8
Percentage of exposure to twenty largest borrowers to total exposure of the NBFC	100%	100%

d. The Company does not have any non-performing assets as at March 31, 2020. (Previous year: NIL)

o. Customer Complaints

Particulars	March 31, 2020	March 31, 2019
No. of complaints pending at the beginning of the year	NIL	NIL
No. of complaints received during the year	NIL	NIL
No. of complaints redressed during the year	NIL	NIL
No. of complaints pending at the year	NIL	NIL

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

40. Contingent liabilities

The company is in litigation with tax office in respect of certain additions made to the returned income. The company has appealed against all of the below orders and the same are pending before the Commissioner of Income Tax (Appeals)

In ₹ million

Particulars	As at March 31, 2020	As at March 31, 2019
Income Tax FY 2011-12 (AY 2012-13)	9.5	9.5
Income Tax FY 2012-13 (AY 2013-14)	94.0	94.0
Income Tax FY 2013-14 (AY 2014-15)	19.3	19.3
Income Tax FY 2014-15 (AY 2015-16)	8.6	8.6
Total	131.4	131.4

41. A. As required by Paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 (as updated on February 17, 2020) is appended herewith as an Annexure II.

B. As required by Appendix I of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 – Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies dated November 04, 2019 is appended herewith as an Annexure III.

42. The Company has a comprehensive system of maintenance of information and documents required by transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Based on the information and available documents, the Company is of the view that all international transactions are at arm's length and hence the above legislation will not have any material impact on the financial statements, particularly on the amount of tax expense and that of provision for taxes.

43. Maturity analysis

The table below classifies all the assets and liabilities according to their expected maturity, i.e. recovery or settlement in the next 12 months.

In ₹ million

Particulars	March 31, 2020			
	Assets	Within 12 months	After 12 months	Total
Financial assets				
Cash and cash equivalents	18.6	-	-	18.6
Receivables				
- Trade receivables	60.0	-	-	60.0
Investments*	6,036.1	240.0	-	6,276.1
Other financial assets*	247.0	11.3	-	258.3
Non-financial assets				
Current tax assets (net)	14.0	32.0	-	46.0
Deferred tax assets (net)	-	246.9	-	246.9
Property, plant and equipment	-	0.2	-	0.2
Right of use asset	-	64.3	-	64.3
Intangible assets under development	-	0.2	-	0.2
Other intangible assets	-	0.1	-	0.1
Other non-financial assets	0.7	-	-	0.7
TOTAL	6,376.4	595.0	-	6,971.4
Liabilities				
Financial liabilities				
Lease liability	5.8	62.3	-	68.1
Other financial liabilities	20.9	-	-	20.9
Non-financial liabilities				
Current tax liabilities (net)	4.1	-	-	4.1
Provisions	1.7	10.7	-	12.4

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

Other non-financial liabilities	2.6	-	2.6
TOTAL	35.1	73.0	108.1
Net Shareholders Funds	6,341.3	522.0	6,863.3

*Level 3 securities has been bucketed as per their residual maturities.

In ₹ million

Particulars	March 31, 2019			
	Assets	Within 12 months	After 12 months	Total
Financial assets				
Cash and cash equivalents	85.4	-	-	85.4
<u>Receivables</u>				
- Trade receivables	25.6	-	-	25.6
Investments	6,130.7	-	-	6,130.7
Other financial assets	449.1	-	-	449.1
Non-financial assets				
Current tax assets (net)	-	50.7	-	50.7
Deferred tax assets (net)	-	83.0	-	83.0
Other non-financial assets	0.7	-	-	0.7
TOTAL	6,691.5	133.7	-	6,825.2
Liabilities				
Financial liabilities				
Other financial liabilities	11.6	0.3	-	11.9
Non-financial liabilities				
Current tax liabilities (net)	4.9	-	-	4.9
Provisions	1.5	9.2	-	10.7
Other non-financial liabilities	2.2	-	-	2.2
TOTAL	20.2	9.5	-	29.7
Net Shareholders Funds	6,671.3	124.2	-	6,795.5

44. Change in accounting policy

This note explains the impact of the adoption of Ind AS 116, Leases on the Company's financial statements.

Impact on the financial statements - lessee accounting.

As indicated in note 3.4 of significant accounting policies, the Company has adopted Ind AS 116 retrospectively from April 01, 2019, but has not restated comparatives for year ended March 31, 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on April 01, 2019. The new accounting policies are disclosed in note 3.4 of significant accounting policies.

On adoption of Ind AS 116, the company recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 01, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on April 01, 2019 was 8.02%

Practical expedients applied

In applying Ind AS 116 for the first time, the company has used the following practical expedients permitted by the standard:

- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review - there were no onerous contracts as at April 01, 2019
- excluding initial direct costs for the measurement of the right of use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains a lease at the date of initial application

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying Ind AS 17, determining whether an arrangement contains a lease.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

Adjustments recognised in the balance sheet on April 01, 2019

The change in accounting policy affected the following items in the balance sheet:

Right-of-use assets – increase by ₹ 72.1million

Deferred tax assets (net) - increase by ₹ 0.4million

Lease liabilities – increase by ₹ 73.7million

The net impact on retained earnings was decrease of ₹ 1.2million (net of deferred tax).

45. Impact of COVID 19

On March 11, 2020, the World Health Organization declared the novel coronavirus (COVID-19) as a global pandemic. Besides the toll that this outbreak has had on human life, it has also disrupted the social, economic and financial structures of the entire world. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in supply chain, travel bans, quarantines, social distancing and other emergency measures.

In India, on 24 March 2020, the Central government declared a 21-day national lockdown, which was further extended by Central and State Governments to contain the spread of COVID-19.

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

The Company is primarily engaged in lending and investing activities. The Company is into the business of investing in Corporate Bonds/Debentures, Commercial Papers, Certificate of Deposits, units of Mutual Funds and other marketable securities. The Company also offers loans to Corporates in India. The Company's operations have continued through the lock down period without any significant impact.

The Company has made an assessment of its liquidity position and carrying value of its assets comprising Investments, Trade Receivables and others financial and non-financial assets as at balance sheet date, and has concluded that there are no material adjustments required in the financial statements, other than those already considered. The Company believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial statements.

All employees are working from home during the lock down period and the Company has taken necessary measures to ensure continuity of business and operations in a seamless manner. The internal financials controls are in place to take care of current situation.

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

VIVEK

RATNESHWAR

PRASAD

Vivek Prasad

Partner

Membership Number: 104941

Place: Mumbai

Date: June 23, 2020

Digitally signed by VIVEK

RATNESHWAR PRASAD

Date: 2020.06.23

19:45:31 +05'30'

For and on behalf of the Board of Directors of
Nomura Capital (India) Private Limited

ARUN
KUMAR
RAJAPPAN

Digitally signed by
ARUN KUMAR
RAJAPPAN
Date: 2020.06.23
18:57:57 +05'30'

Arun Kumar Rajappan

Director

DIN: 05348107

Vipul
Jamnadas
Chatwani

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Vipul Chatwani

Director

DIN: 00337576

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SHAILESH
SONAR

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SHAILESH SONAR
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Swati Sonar

Company Secretary

Membership Number: A48981

Place: Mumbai

Date: June 23, 2020

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

Annexure II

Schedules to the Balance Sheet as at March 31, 2020

(Paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 (as updated on February 17, 2020))

In ₹ million

Particulars		Amount outstanding	Amount overdue
Liabilities side :			
1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:			
(a) Debentures	Secured	-	-
	Unsecured	-	-
(b) Deferred Credits		-	-
(c) Term Loans		-	-
(d) Inter-corporate loans and borrowing		-	-
(e) Commercial paper		-	-
(f) Other loans		-	-
Assets side :			
2. Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :			Amount outstanding
(a) Secured			-
(b) Unsecured			-
3. Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities			Amount outstanding
(i) Lease assets including lease rentals under sundry debtors :			
(a) Financial lease			-
(b) Operating lease			-
(ii) Stock on hire including hire charges under sundry debtors :			
(a) Assets on hire			-
(b) Repossessed Assets			-
(iii) Other loans counting towards AFC activities			
(a) Loans where assets have been repossessed			-
(b) Loans other than (a) above			-
4. Break-up of Investments			
Current Investments			
1. Quoted			
(i) Shares : (a) Equity			-
(b) Preference			-
(ii) Debentures and Bonds			5,473.6
(iii) Units of mutual funds			-
(iv) Government Securities			-
(v) Others			-
2. Unquoted			
(i) Shares : (a) Equity			-
(b) Preference			-
(ii) Debentures and Bonds			802.5
(iii) Units of mutual funds			-
(iv) Government Securities			-
(v) Others			-

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

Long Term Investments			
1. Quoted			
(i) Shares : (a) Equity			-
(b) Preference			-
(ii) Debentures and Bonds			-
(iii) Units of mutual funds			-
(iv) Government Securities			-
(v) Others			-
2. Unquoted			
(i) Shares : (a) Equity			-
(b) Preference			-
(ii) Debentures and Bonds			-
(iii) Units of mutual funds			-
(iv) Government Securities			-
(v) Others			-
5. Borrower group-wise classification of assets financed as in (2) and (3) above :			
Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	-	-	-
Total	-	-	-
6. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)			
Category	Amount net of provisions		
	Market Value	Book Value	
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	6,276.1	6,276.1	
Total	6,276.1	6,276.1	
7. Other information			
Category			Total
(i) Gross Non-Performing Assets			
(a) Related parties			-
(b) Other than related parties			-
(ii) Net Non-Performing Assets			
(a) Related parties			-
(b) Other than related parties			-
(iii) Assets acquired in satisfaction of debt			-

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2020

Annexure III

Schedules to the Balance Sheet as at March 31, 2020

(Appendix I of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 – Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies dated November 04, 2019)

a. Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	Number of significant counterparties	Amount (In ₹ million)	% of total deposits	% of total liabilities.
		-	-	-

b. Top 20 large deposits (amount in ₹ crore and % of total deposits)

NIL

c. Top 10 borrowings (amount in ₹ crore and % of total borrowings)

NIL

d. Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product	Amount (In ₹ million)	% of total liabilities.
		-	-

e. Stock Ratios:

a. Commercial papers as a % of total public funds, total liabilities and total assets

NIL

b. Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets.

NIL

c. Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets

NIL

f. Institutional set-up for liquidity risk management.

The Company has instituted and adopted the Liquidity risk framework under the Asset Liability Management Committee (“ALCO”).

The Company’s liquidity risk framework is at-least reviewed annually, or as the market, business and regulatory environment demand.

It is overseen by the Board, Risk Management Committee (“RMC”) and ALCO.

Asset Liability Management Support Group, which consist of operating staff from Risk and Finance, analyse/monitor liquidity profile, limits & report to RMC, ALCO and Credit Risk Officer.

Price Waterhouse Chartered Accountants LLP

Independent Auditors' report

To the Members of Nomura Capital (India) Private Limited

Report on audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Nomura Capital (India) Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors' report, but does not include the financial statements and our auditor's report thereon. The Board of Directors' report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board of Directors' report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

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T: +91 (22) 66691500, F: +91 (22) 66547804/07

Registered office and Head office : Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LUPIN AAC-5001) with effect from July 25, 2014. Post its Conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/NS00016 (ICAI registration number before conversion was 012754N)

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Nomura Capital (India) Private Limited
Report on audit of the Financial Statements
Page 2 of 4

Responsibilities of management and those charged with governance for the financial statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Nomura Capital (India) Private Limited

Report on audit of the Financial Statements

Page 3 of 4

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Nomura Capital (India) Private Limited
Report on audit of the Financial Statements
Page 4 of 4

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its financial statements – Refer Note 39 to the financial statements.
 - ii. The Company has long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2021.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.
13. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

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Sharad Agarwal
Partner
Membership Number: 118522
UDIN: 21118522AAAACS5372

Mumbai
June 22, 2021

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Nomura Capital (India) Private Limited on the financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Nomura Capital (India) Private Limited on the financial statements for the year ended March 31, 2021

Page 2 of 2

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

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Sharad Agarwal
Partner
Membership Number: 118522
UDIN: 21118522AAAACS5372

Mumbai
June 22, 2021

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Nomura Capital (India) Private Limited on the financial statements as of and for the year ended March 31, 2021

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
 - (c) The Company does not own any immovable properties as disclosed in Note 9 on fixed assets to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii. The Company did not hold any inventory during the year. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Section 185 and Section 186(1) are not applicable to the Company. The Company is a Non-Banking Financial Company registered with Reserve Bank of India and consequently other provisions of Section 186 are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, income tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax, duty of excise and value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Nomura Capital (India) Private Limited on the financial statements as of and for the year ended March 31, 2021
Page 2 of 3

Name of the statute	Nature of dues	Amount (Rs. In million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	9.49 (Amount of Rs. 1.50 paid under protest to the tax authorities)	AY 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	94.01 (Amount of Rs. 14.2 paid under protest to the tax authorities)	AY 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	20.77 (Amount of Rs. 3.20 paid under protest to the tax authorities)	AY 2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	8.6 *	AY 2015-16	Commissioner of Income Tax (Appeals)

* Amount has been adjusted from refund of the same year.

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company. Also refer paragraph 13 of our main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Nomura Capital (India) Private Limited on the financial statements as of and for the year ended March 31, 2021
Page 3 of 3

- xiii. The Company does not have any transactions with related parties under the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as an Non-Banking Financial Institution without accepting public deposits.

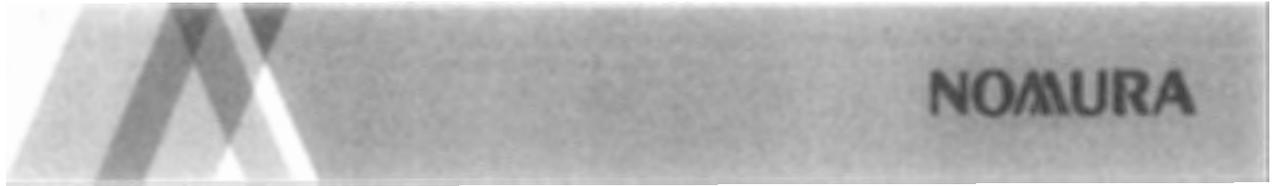
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

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Date: 2021.06.22
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Sharad Agarwal
Partner
Membership Number: 118522
UDIN: 21118522AAAACS5372

Mumbai
June 22, 2021



Nomura Capital (India) Private Limited

Audited financial statements - FY 2020-21

Registered Office : Ceejay House, Level 11, Plot-F, Shivsagar Estate, Dr. Annie Besant Road, Mumbai – 400018.
Tel: +91 22 40374037, Fax: +91 22 40374111.
CIN: U65910MH2007PTC168237

NOMURA CAPITAL (INDIA) PRIVATE LIMITED

Balance sheet as at March 31, 2021

	Note	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Assets			
1. Financial assets			
a. Cash and cash equivalents	4	8.3	18.6
b. Receivables			
- Trade receivables	5	-	60.0
c. Investments	6	6,985.5	6,276.1
d. Other financial assets	7	392.3	258.3
2. Non-financial assets			
a. Current tax assets (net)	8	38.5	46.0
b. Deferred tax assets (net)	32	162.3	246.9
c. Property, plant and equipment	9	0.5	0.2
d. Right of use asset	10	56.5	64.3
e. Intangible assets under development		-	0.2
f. Other intangible assets	9	0.4	0.1
g. Other non-financial assets	11	0.7	0.7
TOTAL		7,645.0	6,971.4
Liabilities and Equity			
Liabilities			
1. Financial liabilities			
a. Payables			
- 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		-	-
b. Lease liabilities	10	62.3	68.1
c. Other financial liabilities	12	50.2	20.9
2. Non financial liabilities			
a. Current tax liabilities (net)	13	-	4.1
b. Provisions	14	13.6	12.4
c. Other non-financial liabilities	15	3.4	2.6
		129.5	108.1
Equity			
a. Equity share capital	16	1,300.0	1,300.0
b. Other equity	17	6,215.5	5,563.3
		7,515.5	6,863.3
TOTAL		7,645.0	6,971.4
Summary of significant accounting policies	3		

The accompanying notes form an integral part of the financial statements.
This is the balance sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

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SHARAD AGARWAL
Date: 2021.06.22
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Sharad Agarwal
Partner
Membership No.: 118522
Place: Mumbai
Date: June 22, 2021

For and on behalf of the Board of Directors of
Nomura Capital (India) Private Limited

ARUN Digitally signed by
ARUN KUMAR
RAJAPPAN
Date: 2021.06.22
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KUMAR
RAJAPPAN

Arun Kumar Rajappan
Director
DIN: 07943252

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Vipul Jamnadas
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Jamnadas
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Vipul Chatwani
Director
DIN: 00337576

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Swati Sonar
Company Secretary
Membership No.: A48981
Place: Mumbai
Date: June 22, 2021

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Statement of profit and loss for the year ended March 31, 2021

	Note	Year ended March 31, 2021 In ₹ million	Year ended March 31, 2020 In ₹ million
Revenue from operations			
i. Interest income	18	517.2	655.3
ii. Net gain on fair value changes	19	486.7	-
iii. Fees and commission income		-	45.5
iv. Other income	20	44.1	27.1
Total		1,048.0	727.9
Expenses			
i. Finance costs	21	5.0	5.4
ii. Fees and commission expense	22	1.8	1.5
iii. Net loss on fair value changes	19	-	475.0
iv. Impairment on financial instruments	23	-	7.4
v. Employee benefits expenses	24	92.4	54.7
vi. Depreciation, amortization and impairment	25	8.0	7.8
vii. Others expenses	26	69.9	65.7
Total		177.1	617.5
Profit before tax		870.9	110.4
Tax Expense:			
i. Current Tax	32	136.0	205.7
ii. Deferred Tax	32	84.6	(163.5)
iii. Tax expense for prior years (net)	32	(1.4)	0.1
Total		219.2	42.3
Profit after taxes		651.7	68.1
Other comprehensive income			
i. Items that will not be reclassified to profit or loss			
(a) Remeasurements gain/(loss) of the defined benefit plans		0.0*	(0.1)
ii. Income tax relating to items that will not be reclassified to profit or loss		0.0*	0.0*
Total		0.0*	(0.1)
Total comprehensive income for the year		651.7	68.0
Earnings per equity share			
Basic (₹)	33	5.01	0.52
Diluted (₹)	33	5.01	0.52
Summary of significant accounting policies	3		

*Below the rounding off norms adopted by the Company.

The accompanying notes form an integral part of the financial statements.
This is the statement of profit and loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SHARAD
AGARWAL

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Sharad Agarwal
Partner
Membership No.: 118522
Place: Mumbai
Date: June 22, 2021

For and on behalf of the Board of Directors of
Nomura Capital (India) Private Limited

ARUN
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RAJAPPAN

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Arun Kumar Rajappan
Director
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Jamnadas
Chatwani

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Vipul Chatwani
Director
DIN: 00337576

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Swati Sonar
Company Secretary
Membership No.: A48981
Place: Mumbai
Date: June 22, 2021

NOMURA CAPITAL (INDIA) PRIVATE LIMITED

Statement of cash flow for the year ended March 31, 2021

	Year ended March 31, 2021 In ₹ million	Year ended March 31, 2020 In ₹ million
Cash flow from operating activities		
Net profit before taxation	870.9	110.4
Adjustments for:		
Amortisation on intangible asset	0.1	0.0*
Depreciation on property, plant & equipments	0.1	0.0*
Depreciation on right of use asset	7.8	7.8
Provision for doubtful debts	11.3	-
Provision created on good and service tax asset	0.7	(3.5)
Interest on right of use liability	5.0	5.4
Unrealised (profit)/loss on corporate bonds	(331.4)	687.8
Impairment on financial instruments (measured at amortised cost)	(19.9)	7.4
Recognition of stock appreciation right payments to employees	0.5	1.0
Interest u/s 234C of Income Tax Act, 1961	0.7	1.9
Actuarial gain/(loss) on defined benefit plans	0.0*	(0.1)
Operating profit before working capital changes	545.8	818.1
Changes in working capital :		
Increase / (Decrease) in receivables	60.0	(34.4)
(Decrease) / Increase in investments	(369.4)	(840.6)
(Decrease) / Increase in other financial assets	(134.0)	190.7
(Decrease) / Increase in other non-financial assets	(0.7)	3.5
Increase / (Decrease) in other financial liabilities	29.3	9.0
Increase / (Decrease) in provisions	1.2	1.7
Increase / (Decrease) in other non-financial liabilities	0.8	0.4
Cash generated from operations	133.0	148.4
Payment of taxes (net of refunds)	(131.7)	(203.7)
Net cash inflow/(outflow) operating activities (A)	1.3	(55.3)
Cash flow from investing activities		
Sale / (Purchase) of property, plant and equipment	(0.4)	(0.2)
Sale / (Purchase) of intangible assets	(0.4)	(0.3)
Net cash (outflow) investing activities (B)	(0.8)	(0.5)
Cash flow from financing activities		
Principal element of lease payment	(10.8)	(11.0)
Net cash (outflow) from financing activities (C)	(10.8)	(11.0)
Net (decrease) in cash and cash equivalents (A + B + C)	(10.3)	(66.8)
Cash and cash equivalents at the beginning of the year	18.6	85.4
Cash and cash equivalents at the end of the year	8.3	18.6
Non-cash investing activities		
Acquisition of right of use asset	-	72.1
Cash and cash equivalents comprises of:		
Balances in Bank	8.3	18.6

*Below the rounding off norms adopted by the Company.

The accompanying notes form an integral part of the financial statements.
This is the cash flow statement referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SHARAD AGARWAL
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SHARAD AGARWAL
Date: 2021.06.22
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Sharad Agarwal
Partner
Membership No.: 118522
Place: Mumbai
Date: June 22, 2021

For and on behalf of the Board of Directors of
Nomura Capital (India) Private Limited

ARUN KUMAR RAJAPPAN
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Arun Kumar Rajappan
Director
DIN: 07943252

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Vipul Chatwani
Director
DIN: 00337576

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Swati Sonar
Company Secretary
Membership No.: A48981
Place: Mumbai
Date: June 22, 2021

NOMURA CAPITAL (INDIA) PRIVATE LIMITED

Statement of changes in equity for the year ended March 31, 2021

a. Equity share capital

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	In ₹ million	No. of Shares	In ₹ million
Balance at the beginning of the year	130,000,000	1,300.0	130,000,000	1,300.0
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	130,000,000	1,300.0	130,000,000	1,300.0

b. Other equity

Particulars	Reserves and surplus			Others	Total
	Securities premium	Statutory reserve	Retained earnings	Contribution from ultimate parent - Stock appreciation rights reserve	
Balance at April 01, 2019	3,247.9	449.7	1,788.8	7.9	5,494.3
Profit for the year	-	-	68.1	-	68.1
Other comprehensive income	-	-	(0.1)	-	(0.1)
Transfer (from)/to statutory reserve	-	13.6	(13.6)	-	0.0
Stock appreciation rights expense	-	-	-	1.0	1.0
Balance at March 31, 2020	3,247.9	463.3	1,843.2	8.9	5,563.3
Profit for the year	-	-	651.7	-	651.7
Other comprehensive income	-	-	-	-	-
Transfer (from)/to statutory reserve	-	130.3	(130.3)	-	-
Stock appreciation rights expense	-	-	-	0.5	0.5
Balance at March 31, 2021	3,247.9	593.6	2,364.6	9.4	6,215.5

The accompanying notes forms an integral part of financial statements.
This is the statement of changes in equity referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SHARAD AGARWAL
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Sharad Agarwal
Partner
Membership No.: 118522
Place: Mumbai
Date: June 22, 2021

For and on behalf of the Board of Directors of
Nomura Capital (India) Private Limited

ARUN KUMAR RAJAPPAN
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Arun Kumar Rajappan
Director
DIN: 07943252

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Swati Sonar
Company Secretary
Membership No.: A48961
Place: Mumbai
Date: June 22, 2021

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Vipul Chatwani
Director
DIN: 00337576

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

1. Corporate Information

Nomura Capital (India) Private Limited (the "Company") is a company domiciled in India with its registered office situated at Ceejay House, Level 11, Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

The Company was incorporated on August 04, 2009. The Company is a subsidiary of Nomura Asia Investment (Fixed Income) Pte. Ltd., a Company incorporated in Singapore.

The Company received the Certificate of Registration on April 28, 2010 from Department of Non-banking Supervision ("DNBS") of the Reserve Bank of India ("RBI") to commence the business of non-banking financial institution.

The Company is primarily engaged in lending and investing activities.

The financial statements for the year ended March 31, 2021 were approved by the Company's Board of Directors on June 22, 2021.

2. Basis of preparation

2.1 Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards

("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Company is covered in the definition of Non-Banking Financial Company ("NBFC") as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2018, the Company presents its balance sheet in the order of liquidity. This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 42.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements

2.2 Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities - measured at fair value;
- defined benefit plans assets - measured at fair value and
- share-based payments - measured at fair value

2.3 Use of judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities and disclosures of contingent assets and liabilities as on the date of the financial statements and the income and expense for the reporting period. The actual results could differ based on these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Certain of the Company's accounting policies require critical accounting estimates that involve subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. The policies that involve critical accounting estimates include fair valuation of financial instruments, impairment of non-financial assets and deferred tax. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

Critical estimates and judgments made under Ind AS are:

- a. Business model assessment and fair value of financial instruments – refer note 27.
- b. Estimation of expected credit losses – refer note 28 II.
- c. Estimation of defined benefits obligation – refer note 30.
- d. Estimation of current tax expense and current tax payable – refer note 32.
- e. Estimation of deferred tax assets – refer note 32.

3. Significant Accounting Policies

3.1 Foreign currency translations

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Indian rupee ("₹"), which is Company's functional and presentation currency. Except as otherwise indicated, financial statements presented in Indian rupee has been rounded to the nearest million with one decimal.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit and Loss.

All foreign exchange gains and losses are presented in the Statement of Profit and Loss.

3.2 Income taxes

Tax expense comprises current income tax and deferred income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the period.

Deferred income tax is measured based on the tax rates and the tax regulations enacted or substantively enacted at the balance sheet date. Deferred income tax assets are recognised only to the extent that there are sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realised.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to offset current tax assets with liabilities and when deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income ("OCI") or directly in equity. In this case, tax is also recognised in OCI or directly in equity, respectively

3.3 Goods and Service tax ("GST") on acquisition of assets and services

Expenses and assets are recognised net of the GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payable in the balance sheet.

3.4 Leases

Nomura Financial Advisory and Securities (India) Private Limited ("NFASI"), the Company's group company, has entered into lease agreement for office space. Of this, some area is occupied by the other group company i.e. Nomura Fixed Income Securities Private Limited ("NFIS") and the Company.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

Leases where the Company is lessee:

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Contracts may contain both lease and non-lease components. The Company will allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate, for which the company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- a. fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- b. payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate ("IBR") is used. IBR is the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company, where possible, uses recent third-party financing received by the lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Right-of-use assets are measured at cost comprising the following:

- a. the amount of the initial measurement of lease liability,
- b. any lease payments made at or before the commencement date less any lease incentives received,
- c. any initial direct costs, and
- d. restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

3.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand balances and short term deposits with other banks and other short-term, highly liquid investments with original maturities of three months or less which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.6 Financial Instruments

a. Financial assets

i. Initial recognition and measurement

Purchase and sale of financial assets are recognised on trade date, the date on which the Company commits to purchase or sell a financial asset.

At initial recognition, the Company measures a financial asset at its fair value.

ii. Subsequent measurement

Subsequent measurement of financial assets depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

There are three measurement categories into which the Company classifies its financial asset - debt instruments:

• **Financial assets at amortised costs**

Financial assets are classified under this category if the asset fulfills both the below mentioned conditions:

- a. The assets are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Any gain or loss arising on de-recognition is recognised directly in Statement of Profit and Loss. Impairment losses are presented as separate line item in the Statement of Profit and Loss.

• **Financial assets at fair value through other comprehensive income ("FVOCI")**

Financial asset is measured at FVOCI when both of the following conditions are met:

- a. The instrument is held within a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets;
- b. The contractual terms of the financial asset meet the SPPI test.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

When the financial asset is de-recognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss. Interest income from these financial assets is included using the effective interest rate method ("EIR").

- **Financial Assets at fair value through profit or loss ("FVTPL")**
Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in Statement of Profit and Loss and presented net within Net gain/loss on fair value changes in the period in which it arises.

Transaction costs of financial assets are expensed in Statement Profit and Loss.

iii. Impairment of financial assets

- **Overview of Expected Credit Loss ("ECL") principles**
The Company records allowance for expected credit losses for all loans, other debt financial assets, not measured at FVTPL, in this section all referred to as "financial instruments". Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on 12 months' expected credit loss; unless there has been significant increase in credit risk since origination, in which case, the allowance is based on the lifetime expected credit loss.

Lifetime expected credit losses represent expected credit losses that would result from all possible default events over the expected life of the financial asset whereas 12 month expected credit losses are those life expected credit losses expected to occur within 12 months of balance sheet date.

Both lifetime ECLs and 12-month ECLs are calculated on an individual basis depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above, the Company categories its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1 – Performing financial assets for which there has been no significant deterioration in credit quality since initial recognition;

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

Stage 2 – Underperforming financial assets for which there has been a significant deterioration in credit quality since initial recognition but which are not credit-impaired; and

Stage 3 – Non-performing financial assets for which there has been a significant deterioration in credit quality since initial recognition and which have become credit-impaired.

For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the EIR to the amortised cost (net of provision) rather than the gross carrying amount.

If an event (for e.g. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

In case internal Nomura credit rating is not available for stage 1 assets, which are performing, then lowest rating of performing assets shall be used for the purposes of ECL calculation on a conservative basis.

- **Credit-impaired financial asset**

A financial asset is considered credit impaired when an obligor fails to make payments in full and on time of any financial obligations, markedly disadvantageous modification to a contractual term compared with the existing obligation, bankruptcy filings, administration, receivership, liquidation or other winding-up or cessation of business of an obligor or other similar situations.

At each reporting date, the Company assesses whether financial instruments are credit-impaired.

- **ECL methodology**

The measurement of expected credit losses through the general ECL impairment model is typically determined using loss rate models or discounted cash flow models depending on the relevant staging of the financial instrument.

A loss rate model measures ECL for an individual or portfolio of similar financial instruments through development of loss rates calculated through an estimate of the probability of default ("PD") of the obligor and loss given default ("LGD") which is applied to the expected credit exposure of the obligor at default ("CEAD").

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

- **Forward looking estimate**
While estimating the ECL, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses the relationship between key economic trends with the estimate of PD.
 - **Probability of default**
The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 28.
 - **Loss given default**
Loss given default inputs are determined by class of financial instrument based on historical experience of loss and recovery rates for similar financial instruments and other relevant industry data. Where appropriate, LGD inputs are adjusted to reflect the impact of collateral and other integral credit enhancements.
 - **Exposure at default**
The exposure at default is an estimate of the exposure at a future default date.
 - **Write off of loan assets**
Credit-impaired financial asset individually assessed for impairment are typically written-off when further cash flows are deemed uncollectible and when all commercially reasonable means of recovering outstanding principle and interest balances have been exhausted. Such a determination is based on factors such as the occurrence of significant changes in the obligor's financial position such that the obligor can no longer pay the obligation, or that the proceeds from collateral will not be sufficient to pay amounts due.
 - The provision calculated using the ECL model is compared with the prudential guidelines issued by RBI and higher of the two is provided in the books of account.
- iv. **Derecognition of financial assets**
A financial asset is de recognised only when:
- The Company has transferred the rights to receive cash flows from the financial asset; or
 - Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

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

Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

The difference between the carrying value of the original financial asset and the consideration is recognised in Statement of Profit and Loss.

b. Financial liabilities

a. Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

Trade payables amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. They are recognised initially at their fair value.

b. Subsequent measurement

The subsequent measurement of financial liabilities depends on their classifications as follows:

• **Financial liabilities at fair value through profit or loss**

Liabilities classified under fair value through profit or loss includes financial liabilities held-for-trading and financial liabilities designated at fair value through Statement of Profit and Loss.

Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

Subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in Statement of Profit and Loss.

*** Financial liabilities at amortised cost**

Financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process. Trade and other payables measured at amortised cost using the EIR method.

c. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference between the carrying value of the original financial liability and the consideration is recognised in Statement of Profit and Loss.

3.7 Fair value measurement

Fair value is the price that would be received, to sell an asset, or paid, to transfer a liability, in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell an asset or transfer a liability would take place either:

- a) In the principal market for an asset or liability or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

Level 1: The financial instrument which is measured at a quoted price. Also includes application money pending allotment on the reporting date.

Level 2: The financial instrument that is not quoted in an active market. Such instrument is measured using various valuation techniques. The inputs for these valuation techniques are:

- a) Quoted price of similar instrument in an active market;
- b) Quoted price of identical or similar instrument in a market that is not active;
- c) Inputs other than quoted price that are observable for an instrument (e.g. yield curves, credit spreads, implied volatilities, etc.);
- d) Market-corroborated inputs.

Level 3: The financial instrument for which one or more significant inputs are not based on observable market data.

3.8 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realised the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

3.9 Derivative financial instruments

A derivative is a financial instrument or other contract with all three of the following characteristics:

- a. Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- b. It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- c. It is settled at a future date.

3.10 Property, plant and equipment

a. Tangible assets

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located, after deducting trade discounts and rebates.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Company.

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Notes to Financial Statements for the year ended March 31, 2021

iii. Depreciation

Depreciation on property, plant and equipment is calculated on a straight line basis using the rates arrived at, based on the useful lives estimated by the management and which is in line with the rates indicated under Schedule II of the Companies Act, 2013. Depreciation is provided from the month of acquisition of property, plant and equipment.

The management has used the following estimates of useful life to provide depreciation on its property, plant and equipment:

Asset type	Useful life estimated by management
Office Equipment*	5 years
Computer and Allied Equipment*	3 years

*The useful life of the assets are based on historical experience and evaluation of the Company, which is different from the useful life as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on property, plant and equipment, individually costing less than ₹25,000 is fully provided in the year of acquisition, as per management estimate.

b. Intangible assets

i. Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

iii. Amortisation

Intangible assets are amortised on a straight line basis over the estimated useful economic life. The estimated useful lives are as follows:

Asset	Useful life (years)
Software	3 years

The amortisation period and the amortisation method are reviewed at each financial yearend. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

3.11 Revenue Recognition

(i) Trading gains and losses (as per Ind AS 109):

Trading income includes all gains and losses from changes in fair value for financial assets and financial liabilities held for trading. Gains and losses on sale of securities are recognized on trade date basis.

(ii) Interest income on investments (as per Ind AS 109):

Interest incomes of investments classified as FVTPL are recognised on EIR basis. It is recognized on accrual basis and based on time apportioned, taking into account the amount outstanding and the rate applicable.

(iii) Interest income on loans and advances (as per Ind AS 109):

For all financial instruments measured at amortised cost, interest income or expense is recorded using the EIR, which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

EIR in case of a financial asset is computed:

- a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

Including all fees received between parties to the contract that are an integral part of the EIR method, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows are recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the EIR method to the net amortised cost (net of provision) of the financial asset.

3.12 Employee benefits

i. Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified short-term employee benefits and they are recognised in the year in which the employee renders the related services. For the amount expected to be paid, the Company recognises an undiscounted liability if they have a present legal or constructive obligation to pay the amount as a result of past service provided by employees, and the obligation can be estimated reliably.

ii. Defined benefit plan

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in the other comprehensive income. They are included in the retained earnings under Other Equity on the balance sheet.

iii. Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered Provident Fund Scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions are due. The Company has no other obligations other than the contribution payable to the respective provident funds.

iv. Other employee benefits plan

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognizes the charge to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on valuation by an independent actuary. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit and leave expected to be carried forward beyond 12 months, as long term employee benefit.

v. Share based payments

a. Equity settled transactions

The ultimate holding company of the company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Company's operations. Employees (including directors) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity settled transactions").

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The cost of equity-settled transactions with employees and directors for grants is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using a finite difference model which determines fair value with the following assumptions:

Expected Volatility	based on implied volatility of the ultimate holding company's common stock
Expected dividend yield	based on the current dividend rate at the time of grant
Expected lives of options granted	based on vesting period
Expected number of options which will vest	based on historical experience
Estimated risk-free interest rate	based upon Japanese Yen swap rates with a maturity equal to the expected lives of options

The cost of equity-settled transactions is recognised in Statement of Profit and Loss, together with a corresponding increase in reserves, representing contribution received from the ultimate holding company, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to Statement of Profit and Loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest.

b. Cash benefit plans

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period the employees unconditionally become entitled to payment. The liability is measured at the end of each reporting date up to and including settlement date, with changes in the fair value recognised as salaries, wages and bonus in Statement of Profit and Loss.

3.13 Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed and disclosed as contingent liability.

3.14 Segment Reporting

i. Basis for segmentation

An operating segment is a component of the company that engages in business activities from which it may earn and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components and for which discrete financial information is available. Such decision is taken by Chief Operating Decision Maker (CODM).

ii. Business segment

The Company's operations fall under single business segment. Further, all the transactions and the assets of the Company are recorded and located in India. Since the Company's current business activity primarily falls within a single business and geographical segment, no additional disclosure is to be provided under Ind AS 108 – Segment Reporting, other than those already provided in the financial statements.

iii. Geographical segment

The Company's business is primarily within India. Hence no separate geographical disclosure is considered necessary.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

3.15 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3.16 Contributed equity

Equity shares are classified as equity.
Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity.

3.17 Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
4. Cash and cash equivalents		
Balances with banks	8.3	18.6
	8.3	18.6

a. Balances with banks are current account balances.

b. The Company has not availed bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and cash equivalent given above.

5. Receivables

- Trade receivables

Receivable considered good - secured
Receivable considered good - unsecured

	-	-
	-	60.0
A	-	60.0
	-	-
B	-	-
A-B	-	60.0

Less: Impairment loss allowance

a. No debts due by directors or other officers of the Company or any of them either, severally or jointly, with any other person or debts due by firm including limited liability partnerships, private companies respectively, in which director is a partner or director or a member.

6. Investments

		In ₹ million	
		Amortised Cost	At fair value Through profit and loss
As at March 31, 2021			
Debt securities - Corporate bonds			6,873.6
Others			111.9
	A		6,985.5
i. Investments in India			6,985.5
ii. Investments outside India			-
	B		6,985.5
Less : Impairment loss allowance			-
	C		-
	A-C		6,985.5
As at March 31, 2020			
Debt securities - Corporate bonds		432.4	5,863.6
Others			-
	A	432.4	5,863.6
i. Investments in India		432.4	5,863.6
ii. Investments outside India			-
	B	432.4	5,863.6
Less : Impairment loss allowance		19.9	-
	C	19.9	-
	A-C	412.5	5,863.6

7. Other financial assets

Measured at fair value through profit and loss

i. Application money for Convertible Debentures (Refer note 45)

72.1

Measured at amortised cost

i. Interest accrued on investments
Less: Provision for doubtful interest accrued
ii. Receivable from group companies

327.9 256.7
(11.3) -
3.6 1.6
392.3 258.3

8. Current tax assets (net)

Advance tax (net of provision for income tax March 31, 2021 ₹ 1,536.3million, March 31, 2020 ₹ 1,193.4million)

38.5 46.0
38.5 46.0

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to accounts for the year ended March 31, 2021

9. Property, plant and equipment and other intangible assets

Particulars	Gross block				Depreciation/Amortisation				Net carrying amount as at March 31, 2021
	As at April 01, 2020	Additions	Disposals	As at March 31, 2021	Opening Balance as at April 1, 2020	For the year	Disposals	Closing Balance as at March 31, 2021	
a. Property, plant and equipment									
Computer and allied equipments	0.2	0.4	-	0.6	-	0.1	-	0.1	0.5
Total	0.2	0.4	-	0.6	-	0.1	-	0.1	0.5
a. Other intangible assets									
Computer software	0.6	0.4	-	1.0	0.5	0.1	-	0.6	0.4
Total	0.6	0.4	-	1.0	0.5	0.1	-	0.6	0.4

Particulars	Gross block				Depreciation/Amortisation				Net carrying amount as at March 31, 2020
	As at April 1, 2019	Additions	Disposals	As at March 31, 2020	Opening Balance as at April 1, 2019	For the year	Disposals	Closing Balance as at March 31, 2020	
a. Property, plant and equipment									
Computer and allied equipments	-	0.2	-	0.2	-	0.0*	-	-	0.2
Total	-	0.2	-	0.2	-	0.0*	-	-	0.2
a. Other intangible assets									
Computer software	0.5	0.1	-	0.6	0.5	0.0*	-	0.5	0.1
Total	0.5	0.1	-	0.6	0.5	0.0*	-	0.5	0.1

* Below the rounding off norms adopted by the Company

NOMURA CAPITAL (INDIA) PRIVATE LIMITED

Notes to accounts for the year ended March 31, 2021

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
10. Leases		
Right of use assets: Building	64.3	72.1
Add: Addition during the year	-	-
Less: Depreciation for the year	(7.8)	(7.8)
	<u>56.5</u>	<u>64.3</u>
Lease liabilities	68.1	73.7
Add: Interest for the year	5.0	5.4
Less: Rent paid during the year	(10.8)	(11.0)
	<u>62.3</u>	<u>68.1</u>
11. Other non-financial assets		
Prepaid expenses	0.7	0.7
Goods and service tax receivable	9.7	9.0
Less : Provision on Goods and service tax receivable	(9.7)	(9.0)
	<u>0.7</u>	<u>0.7</u>
12. Other financial liabilities		
Employee benefits payable	41.5	11.2
Other payables	8.7	9.7
	<u>50.2</u>	<u>20.9</u>
13. Current tax liabilities (net)		
Provision for income tax (net of advance tax March 31, 2021 NIL, March 31, 2020 ₹ 203.5million)	-	4.1
	<u>-</u>	<u>4.1</u>
14. Provisions		
Provision for gratuity (Refer note 30)	5.7	5.8
Provision for compensated absences	7.9	6.6
	<u>13.6</u>	<u>12.4</u>
15. Other non-financial liabilities		
Statutory dues payable	3.4	2.6
	<u>3.4</u>	<u>2.6</u>

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to accounts for the year ended March 31, 2021

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
16. Share capital		
Authorised :		
130,000,000 (as at March 31, 2020 130,000,000) equity shares of ₹ 10/- each	1,300.0	1,300.0
Issued, subscribed and paid up :		
130,000,000 (as at March 31, 2020 130,000,000) equity shares of ₹ 10/- each	1,300.0	1,300.0

A. Reconciliation of the shares outstanding at the beginning and at the end of the year :

	March 31, 2021*		March 31, 2020*	
	No.	In ₹ million	No.	In ₹ million
Balance as at the beginning of the year	13,00,00,000.0	1,300.0	13,00,00,000.0	1,300.0
Add : Issued during the year				
Balance as at the end of the year	13,00,00,000.0	1,300.0	13,00,00,000.0	1,300.0

* 1 equity share held by Nomura Asia Pacific Holdings Co. Ltd. in trust for Nomura Asia Investments (Fixed Income) Pte. Ltd.

B. Rights, preferences and restrictions attached to shares :

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held.

C. Shares held by holding company :

	March 31, 2021*		March 31, 2020*	
	No.	%	No.	%
Nomura Asia Investments (Fixed Income) Pte. Ltd., the holding company	13,00,00,000.0	100.0	13,00,00,000.0	100.0

* 1 equity share held by Nomura Asia Pacific Holdings Co. Ltd. in trust for Nomura Asia Investments (Fixed Income) Pte. Ltd.

D. Details of shareholders holding more than 5% shares in the company

	March 31, 2021*		March 31, 2020*	
	No.	%	No.	%
Nomura Asia Investments (Fixed Income) Pte. Ltd., the holding company	13,00,00,000.0	100.0	13,00,00,000.0	100.0

* 1 equity share held by Nomura Asia Pacific Holdings Co. Ltd. in trust for Nomura Asia Investments (Fixed Income) Pte. Ltd.

		As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
17. Other equity			
a. Securities premium			
Opening balance		3,247.9	3,247.9
Additions during the year		-	-
Closing balance	A	3,247.9	3,247.9
b. Stock appreciation rights reserve			
Opening balance		8.9	7.9
Additions during the year		0.5	1.0
Closing balance	B	9.4	8.9
c. Statutory reserve			
Opening balance		463.3	449.7
Additions during the year		130.3	13.6
Closing balance	C	593.6	463.3
d. Retained earnings			
Opening balance		1,843.2	1,790.0
Change in accounting policy (Refer note 43)		-	(1.2)
Total comprehensive income for the year		651.7	68.0
Transfer to statutory reserve		(130.3)	(13.6)
Closing balance	D	2,364.6	1,843.2
	A+B+C+D	6,215.5	5,563.3

Nature and purpose of reserves

a. Securities premium

Securities premium reserve is used to record premium received on issue of shares. The reserves can be utilised only for limited purposes, in accordance with the provisions of the Companies Act, 2013.

b. Stock appreciation rights reserve

Stock appreciation rights reserve is stock appreciation rights allotted to certain categories of employees of the company by Nomura Holdings Inc. (ultimate parent).

c. Statutory reserve

Statutory reserve is reserve maintained under section 45-IC of the Reserve Bank of India Act, 1934.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED

Notes to accounts for the year ended March 31, 2021

18. Interest income

(In ₹ million)

	Year ended March 31, 2021		Total
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	
Interest income from investments	35.1	482.1	517.2
	35.1	482.1	517.2

(In ₹ million)

	Year ended March 31, 2020		Total
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	
Interest on loans	126.1	-	126.1
Interest income from investments	196.6	332.6	529.2
	322.7	332.6	655.3

	Year ended March 31, 2021 In ₹ million	Year ended March 31, 2020 In ₹ million
--	--	--

19. Net gain/(loss) on fair value changes

Net gain/ (loss) on financial instruments at fair value through profit or loss

i. On trading portfolio		
- Investments	486.7	(475.0)
ii. On financial instruments designated at fair value through profit or loss	-	-
A	486.7	(475.0)
B	-	-
A+B	486.7	(475.0)
Others		
Fair value changes		
i. Realised	155.3	212.8
ii. Unrealised	331.4	(687.8)
	486.7	(475.0)

20. Other income

i. Reversal of goods and service tax receivable	-	7.2
ii. Recharge to group companies	23.5	19.9
iii. Reversal of impairment on financial instruments	19.9	-
iv. Others	0.7	-
	44.1	27.1

21. Finance cost [measured at amortised cost]

i. Interest on lease liabilities	5.0	5.4
	5.0	5.4

22. Fees and commission expense

i. Brokerage and stamp duty	1.7	1.3
ii. Custodian, depository and clearing charges	0.1	0.2
	1.8	1.5

	Year ended March 31, 2021 In ₹ million	Year ended March 31, 2020 In ₹ million
23. Impairment on financial instruments [measured at amortised cost]		
i. Investments	-	7.4
	-	7.4
24. Employee benefits expense		
i. Salaries and wages	87.8	50.0
ii. Contribution to provident and other funds	2.7	2.3
iii. Stock appreciation rights payment to employees (Refer note 31)	0.5	1.0
iv. Staff welfare expenses	0.8	0.9
v. Gratuity (Refer note 30)	0.6	0.5
	92.4	54.7
25. Depreciation, amortization and impairment		
i. Depreciation on property, plant & equipments	0.1	0.0*
ii. Depreciation on right to use assets (Refer note 10)	7.8	7.8
iii. Amortisation of intangible assets	0.1	0.0*
	8.0	7.8
*Below the rounding off norms adopted by the Company.		
26. Other expenses		
i. Rent, taxes and energy costs	1.9	2.3
ii. Repairs and maintenance	3.4	2.8
iii. Auditor's fees and expenses*	2.2	1.8
iv. Legal and professional charges	19.5	23.0
v. Provision for doubtful debts	11.3	-
vi. Corporate social responsibility (Refer note 46)	5.1	7.6
vii. Support cost recharge	21.6	22.8
viii. Market data expense	3.4	3.4
ix. Interest u/s 234C of Income Tax Act, 1961	0.7	1.9
x. Other expenditure	0.8	0.1
	69.9	65.7
* Auditor's fees and expenses comprise for :		
a. Statutory audit	1.8	1.4
b. Tax audit	0.2	0.2
c. Other services	0.1	0.1
d. Reimbursement of expenses	0.1	0.1
	2.2	1.8

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

27. Fair value of financial instruments

1. Fair valuation

Fair value is the price that would be received, to sell an asset, or paid, to transfer a liability, in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell an asset or transfer a liability would take place either:

- a) In the principal market for an asset or liability or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

Level 1: The financial instrument which is measured at a quoted price. This category includes corporate bonds quoted by Fixed Income Money Market, Derivatives Association of India ("FIMMDA") and application money pending allotment at the reporting date.

Level 2: The financial instrument that is not quoted in an active market. Such instrument is measured using various valuation techniques. The inputs for these valuation techniques are : a) quoted price of similar instrument in an active market, b) quoted price of identical or similar instrument in a market that is not active, c) inputs other than quoted price that are observable for an instrument (e.g. yield curves, credit spreads, implied volatilities, etc.), d) market-corroborated inputs. This category includes corporate bonds not quoted by FIMMDA.

Level 3: The financial instrument for which one or more significant inputs are not based on observable market data.

2. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following tables show the classification of the financial assets and liabilities:

As at March 31, 2021

In ₹ million

Particulars	Carrying amount			
	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Cash and cash equivalents	-	-	8.3	8.3
Receivables				
- Trade receivables	-	-	-	-
Investments	6,985.5	-	-	6,985.5
Other financial assets	72.1	-	320.2	392.3
	7,057.6	-	328.5	7,386.1
Financial liabilities				
Lease liability	-	-	62.3	62.3
Other financial liabilities	-	-	50.2	50.2
	-	-	112.5	112.5

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

As at March 31, 2020 In ₹ million

Particulars	Carrying amount			
	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Cash and cash equivalents	-	-	18.6	18.6
Receivables	-	-	-	-
- Trade receivables	-	-	60.0	60.0
Investments	5,863.6	-	412.5	6,276.1
Other financial assets	-	-	258.3	258.3
	5,863.6	-	749.4	6,613.0
Financial liabilities				
Lease liability	-	-	68.1	68.1
Other financial liabilities	-	-	20.9	20.9
	-	-	89.0	89.0

The following tables show the fair value hierarchy of the financial assets and liabilities measured at fair value:

As at March 31, 2021 In ₹ million

Particulars	Fair values			
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	-	-	-	-
Receivables	-	-	-	-
- Trade receivables	-	-	-	-
Investments	3,848.4	2,937.1	200.0	6,985.5
Other financial assets	72.1	-	-	72.1
	3,920.5	2,937.1	200.0	7,057.6
Financial liabilities				
Lease liability	-	-	-	-
Other financial liabilities	-	-	-	-
	-	-	-	-

As at March 31, 2020 In ₹ million

Particulars	Fair values			
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	-	-	-	-
Receivables	-	-	-	-
- Trade receivables	-	-	-	-
Investments	4,101.8	1,371.8	390.0	5,863.6
Other financial assets	-	-	-	-
	4,101.8	1,371.8	390.0	5,863.6
Financial liabilities				
Lease liability	-	-	-	-
Other financial liabilities	-	-	-	-
	-	-	-	-

There has been no transfer of above financial asset/liability from level 1 to level 2 and from level 2 to level 1.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

B. Measurement of fair values

Corporate bonds

Quoted corporate bonds are fair valued using weighted average market price published by FIMMDA which aggregate the price at which the corporate bonds have traded on the recognised exchanges (with minimum ₹ 50million turnover and 1 trade) over the last 15 calendar days. If the corporate bonds have not traded on any recognised exchange over the last 15 calendar days, then the price is derived using a financial calculator published by FIMMDA.

The following tables show the valuation techniques used in measuring Level 2 fair values, for financial instrument measured at fair value in the statement of financial position:

Financial instruments measured at fair value:

As at March 31, 2021 In ₹ million

Type	Fair Value	Valuation technique	Significant observable inputs
Corporate bonds	2,937.1	Discounted cash flow	Rating based spread

As at March 31, 2020 In ₹ million

Type	Fair Value	Valuation technique	Significant observable inputs
Corporate bonds	1,371.8	Discounted cash flow	Rating based spread

C. Movements in Level 3 financial instruments measured at fair value

The following table show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value.

As at March 31, 2021 In ₹ million

Particulars	As at April 1, 2020	Purchase/ (Sale)*	Transfer into Level 3	As at March 31, 2021	Unrealised gains and (losses)
Investments					
Corporate bonds	390.0	(150.0)	-	200.0	(40.0)
Total	390.0	(150.0)	-	200.0	(40.0)

*Sale includes redemption

As at March 31, 2020 In ₹ million

Particulars	As at April 1, 2019	Purchase/ (Sale)	Transfer into Level 3	As at March 31, 2020	Unrealised gains and (losses)
Investments					
Corporate bonds	-	-	390.0	390.0	(885.9)
Total	-	-	390.0	390.0	(885.9)

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

D. Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The below table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 assets.

As at March 31, 2021 In ₹ million

Particulars	Fair value of Level 3 assets	Valuation technique	Significant unobservable inputs
Investments - Corporate bonds	200.0	Discounted cash flow	a. Recovery rates b. Discount margin/spread

As at March 31, 2020 In ₹ million

Particulars	Fair value of Level 3 assets	Valuation technique	Significant unobservable inputs
Investments - Corporate bonds	390.0	Discounted cash flow	a. Recovery rates b. Discount margin/spread

E. Quantitative analysis of significant unobservable input

a. Recovery rates:

Recovery rates reflect the estimated loss that the Company will suffer given expected defaults. The recovery rate is given as a percentage and reflects the opposite of loss severity (i.e. 100% recovery reflects 0% loss severity). In line with general market convention, loss severity is applied to asset-backed securities while recovery rate is more often used as pricing input for corporate or government instruments. Higher loss severity levels / lower recovery rates indicate lower expected cash flows upon the default of the instruments. Recovery rates for complex, less liquid instruments are usually unobservable and are estimated based on historical data.

b. Discount margin/spreads:

Discount margin/spreads represent the discount rates used when calculating the present value of future cash flows. In discounted cash flow models such spreads are added to the benchmark rate when discounting the future expected cash flows. Hence, these spreads reduce the net present value of an asset or increase the value of a liability. They generally reflect the premium an investor expects to achieve over the benchmark interest rate to compensate for the higher risk driven by the uncertainty of the cash flows caused by the credit quality of the asset. They can be implied from market prices and are usually unobservable for illiquid or complex instruments.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

F. Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology. The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favorable/unfavorable range.

In ₹ million

Particulars	March 31, 2021		March 31, 2020	
	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Investments - Corporate bonds	306.2	(200.0)	1,050.0	(380.0)
Total	306.2	(200.0)	1,050.0	(380.0)

G. Fair value of financial assets and liabilities not measured at fair value

As at March 31, 2021

In ₹ million

Particulars	Fair values			
	Carrying amount	Level 1	Level 2	Level 3
Financial assets				
Cash and cash equivalents*	8.3	-	-	-
Receivables				
- Trade receivables*	-	-	-	-
Investments	-	-	-	-
Other financial assets*	320.2	-	-	-
	328.5	-	-	-
Financial liabilities				
Lease liability*	62.3	-	-	-
Other financial liabilities*	50.2	-	-	-
	112.5	-	-	-

As at March 31, 2020

In ₹ million

Particulars	Fair values			
	Carrying amount	Level 1	Level 2	Level 3
Financial assets				
Cash and cash equivalents*	18.6	-	-	-
Receivables	-	-	-	-
- Trade receivables*	60.0	-	-	-
Investments*	412.5	-	-	528.2
Other financial assets*	258.3	-	-	-
	749.4	-	-	528.2
Financial liabilities				
Lease liability*	68.1	-	-	-
Other financial liabilities*	20.9	-	-	-
	89.0	-	-	-

*Carrying value of the Company's financial assets and liabilities, which are not carried at fair value, are assumed to be their approximate fair value, owing to their short term residual maturity.

28. Financial risk management

i. Risk management framework

The Company is exposed to financial risks, including the effects of changes in interest rate risk, credit risk and liquidity risk.

Managing these financial risks forms an integral part of the Company's business. The Company's risk management framework includes a variety of controls and reporting processes. These include the parameters for the risks that the Company may undertake for various financial instruments, guidelines for accepting customers and terms under which the business is being conducted, setting up appropriate risk limits and controls and monitor risks and adherence to the set limits. Risk management processes and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company believes it has effective processes in place to identify measure, monitor and mitigate these financial risks.

The Company's Board of Directors ("Board") are responsible for oversight of risk management approach and for approving the risk strategies and principles. The Board is assisted in its oversight role by the Risk Management & Investment Committee, Credit Committee and various other corporate functions, which includes Credit and Market risk management. The oversight role includes monitoring compliance with the Company's risk management framework and reviewing its adequacy.

Internal audit also undertakes both, regular and ad hoc, review of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Credit risk is the risk of loss arising from an obligor or counterparty's default, insolvency or administrative proceeding which results in the obligor's failure to meet its contractual obligations in accordance with agreed terms. Credit risk for the Company is managed by Credit Risk Management ("CRM") function within the Risk Management Division together with Credit Committee.

Processes for managing credit risk include:

- 1) Evaluation of likelihood that counterparty defaults on its payments and obligations;
- 2) Assignment of internal ratings to all active counterparties;
- 3) Approval of extensions of credit and establishment of credit limits;
- 4) Measurement, monitoring and management of the firm's current and potential future credit exposures;
- 5) Setting credit terms in legal documentation; and
- 6) Use of appropriate credit risk mitigants, including netting, collateral and hedging.

i. Credit quality analysis

a. Cash and cash equivalents

Balances with bank are current account balances remaining unutilised as at the reporting date.

The Company believes these assets to be of high credit quality; hence no provision for expected credit loss is made.

b. Trade Receivable

Trade receivable includes receivable on sale of corporate bond made through Indian Clearing Corporation Limited ("ICCL") and NSE Clearing Limited ("NCL").

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

Receivable from NCL and ICCL are usually settled on T+2 basis. The Company has not experienced any historic default from these clearing corporations, hence the Company believes these assets to be of high quality with low credit risk and therefore no provision for expected credit loss ("ECL") is made.

As at March 31, 2021, the Company does not have any trade receivable (March 31, 2020 ₹60.0 million).

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

Type	In ₹ million	
	March 31, 2021	March 31, 2020
Neither past due nor impaired	-	-
Current	-	60.0
1-30 days past due	-	-
31-60 days past due	-	-
61-90 days past due	-	-
More than 90 days past due	-	-
Total	-	60.0

c. Loans

Loans made by the Company consist of corporate loans.

As at March 31, 2021, the Company has no loans outstanding. (Previous year: NIL)

d. Investments [measured fair value]

Of the investments held (and measured at fair value), the Company has classified its investments in Dewan Housing Finance Limited ("DHFL") as high credit risk investments. In case of DHFL, the Company has investments of ₹ 200 million (fair value). These investments has been rated "D" by independent credit rating agencies. Post the initiation of insolvency proceedings, the Company has significantly marked down these investments and valued them using the amounts expected to be recovered.

e. Investments [measured at amortised cost]

There are no investments of the Company (which are classified as amortised cost), as at March 31, 2021. Previously, as at March 31, 2020, the Company had corporate bond investments which were classified as amortised cost.

	In ₹ million	
	As at March 31, 2021	As at March 31, 2020
Neither past due nor impaired	-	-
Current	-	432.4
1-30 days past due	-	-
31-60 days past due	-	-
61-90 days past due	-	-
More than 90 days past due	-	-
Total	-	432.4

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

f. Staging for investments and loans [measured at amortised cost]

Particulars	In ₹ million	
	As at March 31, 2021	As at March 31, 2020
	12 month ECL (Stage 1)	12 month ECL (Stage 1)
Loans/Long term investments	-	-
Rated A and above	-	-
Rated BBB	-	-
Rated BB	-	-
Rated B	-	432.4
Rated CCC and below	-	-
Unrated	-	-
Less: Impairment allowance	-	(19.9)
Total	-	412.5

g. Other financial assets

Other financial assets include interest accrued on investments, share application money receivable and amount receivable from the Company's group companies.

The Company believes interest accrued on investments and receivable from the Company's group companies to be of high quality with low credit risk; hence no provision for expected credit loss is made.

ii. Amounts arising from ECL

a. Inputs, assumptions and techniques used for estimating impairment

Inputs and assumptions considered in ECL Model

The measurement of ECL through the general impairment model is typically determined within the Company using loss rate models or discounted cash flow models depending on the relevant staging of the financial instrument.

A loss rate model measures ECL for an individual or portfolio of similar financial instruments through development of loss rates calculated through an estimate of the probability of default ("PD") of the obligor and loss given default ("LGD") which is applied to the expected credit exposure of the obligor at default ("CEAD").

In order to determine whether 12 month or lifetime ECL is used, each financial asset is assessed for impairment, classified at each reporting date into one of following three stages of credit quality deterioration since the financial asset was initially recognised.

Stage 1: Performing financial assets for which there has been no significant deterioration in credit quality since initial recognition.

Stage 2: Underperforming financial assets for which there has been a significant deterioration in credit quality since initial recognition but which are not credit-impaired; and

Stage 3: Non-performing financial assets for which there has been a significant deterioration in credit quality since initial recognition and which have become credit-impaired.

The 12-month ECL is the portion of Lifetime ECL that represents the loss resulting from default events on financial assets that are possible within the 12 months after the reporting date.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

PD inputs are determined by class of financial asset and by internal Nomura credit rating applied to each financial asset. PD inputs used by the Company are sourced from industry data and validated based on historical experience.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

In case internal Nomura credit rating is not available for stage 1 assets, which are performing, then lowest rating of performing assets shall be used for the purposes of ECL calculation on a conservative basis.

For Stage 1 assets, a 12 month PD is considered, for Stage 2 assets a lifetime PD is considered and Stage 3 assets 100% PD is applied.

LGD inputs are determined by class of financial asset, based on historical experience of loss and recovery rates for similar financial asset and other relevant industry data. Where appropriate, LGD inputs are adjusted to reflect the impact of collateral and other integral credit enhancements.

Estimates and forward looking techniques

The Company has applied the following estimation technique for ECL model:

- a. Through-the-cycle ("TTC") PD preparation: TTC cumulative PDs up to 5 year are prepared by referring to S&P's historic rating migration data.
- b. Scenario Point-in-time ("PIT") PD construction: PIT PDs on each scenario are constructed from TTC PDs. In the conversion from TTC PD to PIT PD, scenario credit spread provided is used to incorporate forward looking information and credit cycle. Four scenario (upside, base, moderate downside, and severe down side) are applied.
- c. Probability weighted PIT PD computation: Scenario PIT PDs are summed up weighted by a probability of each scenario happening (probability weighted PIT PDs).
- d. LGD inputs are determined by class of financial asset, based on historical experience of loss and recovery rates for similar financial asset and other relevant industry data.

Assessment of significant increase in credit risk

A financial asset that is not credit-impaired on initial recognition is initially classified into stage 1 and is subsequently continuously monitored to determine whether a significant increase in credit risk has occurred, at which point the financial asset is reclassified to stage 2.

A determination of whether a significant increase in credit risk has occurred at each reporting date will be through a comparison of Nomura internal credit rating applied to the financial instrument at initial recognition and at the reporting date.

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A financial asset will be reclassified as per the below table:

		From (Initial Recognition)																		
To		AAA	AA+	AA	AA-	A+	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	D
(Reporting Date)		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
	AAA	1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
	AA+	2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
	AA	3	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
	AA-	4	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
	A+	5	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
	A-	6	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
	BBB+	7	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
	BBB	8	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
	BBB-	9	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
	BB+	10	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
	BB	11	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
	BB-	12	S2	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1
	B+	13	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1
	B	14	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1
	B-	15	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1
	CCC	16	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1
	CC	17	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3
	C	18	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3
	D	19	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3

If there is a further deterioration in credit risk such that the financial asset becomes credit-impaired, the financial asset is then reclassified into stage 3.

Credit impaired financial asset

A financial asset is considered credit impaired when an obligor fails to make payments in full and on time of any financial obligations, markedly disadvantageous modification to a contractual term compared with the existing obligation, bankruptcy filings, administration, receivership, liquidation or other winding-up or cessation of business of an obligor or other similar situations.

Policy for write off of loan assets

Credit-impaired financial asset individually assessed for impairment are typically written-off when further cash flows are deemed uncollectible and when all commercially reasonable means of recovering outstanding principle and interest balances have been exhausted. Such a determination is based on factors such as the occurrence of significant changes in the obligor's financial position such that the obligor can no longer pay the obligation, or that the proceeds from collateral will not be sufficient to pay amounts due.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

b. Loss allowances

Particulars	In ₹ million	
	2020-21	2019-20
	Loss allowance measured at 12 month expected losses	
Loans [measured at amortised cost]		
Balance as at April 01	-	-
Net measurement of loss allowance	-	-
Balance as at March 31	-	-
Investments [measured at amortised cost]		
Balance at April 01	19.9	12.5
Net measurement of loss allowance	(19.9)	7.4
Balance as at March 31	-	19.9

- There are no loans and advances outstanding as on reporting date March 31, 2021. (Previous year: NIL)
- Current year: NIL. (Previous year: The entire 100% concentration of risk in Investments at amortised cost i.e. to a single party pertains to the aviation industry in India).
- The carrying value of investments measured at fair value through profit or loss represents the maximum exposure to credit risk.

III. Disclosure pursuant to RBI/2019-20/170/DOR (NBFC).CC.PD.No.109/22.10.106/2019-20
 "Implementation of Indian Accounting Standards" dated March 13, 2020

As at March 31, 2021: NIL

As at March 31, 2020

In ₹ million

Asset Classification as per RBI norms	Asset classification as per IndAS 109	Gross carrying amount as per IndAS*	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between IndAS 109 provisions and IRACP norms
Performing assets						
Standard	Stage 1	548.1	19.9	528.2	1.7	18.2

*Includes accrued interest

- Offsetting
 No offsetting exists as at March 31, 2021. (Previous year: NIL)

NOMURA CAPITAL (INDIA) PRIVATE LIMITED

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iii. Market risk

Market risk is the risk of loss arising from fluctuations in the value of financial assets and liabilities (including off-balance sheet items) due to fluctuations in market risk factors (interest rates, prices of securities and others). Market risk primarily impacts the Company's investing activities.

Effective management of market risk requires the ability to analyse a complex and constantly changing global market environment, identify problematic trends and ensure that appropriate action is taken in a timely manner.

The Company uses a variety of complementary tools to measure, model and aggregate market risk. The Company's principal statistical measurement tool to assess and monitor market risk on an ongoing basis is Value at Risk ("VaR"). Limits on VaR are set in line with Company's risk appetite as expressed through regulatory capital. Market risk is monitored against a set of approved limits, with daily reports and other management information provided to the business units and senior management.

a. Total market risk exposure

In ₹ million

Particulars	As at March 31, 2021			
	Carrying amount	Traded risk	Non traded risk	Primary risk
Financial assets				
Cash and cash equivalents	8.3	-	8.3	
Receivables				
- Trade receivables	-	-	-	
Investments	6,985.5	6,785.5	200.0	Interest rate risk
Other financial assets	392.3	-	392.3	
	7,386.1	6,785.5	600.6	
Financial liabilities				
Lease liability	62.3	-	62.3	
Other financial liabilities	50.2	-	50.2	
	112.5	-	112.5	

In ₹ million

Particulars	As at March 31, 2020			
	Carrying amount	Traded risk	Non traded risk	Primary risk
Financial assets				
Cash and cash equivalents	18.6	-	18.6	
Receivables				
- Trade receivables	60.0	-	60.0	
Investments	6,276.1	5,473.6	802.5	Interest rate risk
Other financial assets	258.3	-	258.3	
	6,613.0	5,473.6	1,139.4	
Financial liabilities				
Lease liability	68.1	-	68.1	
Other financial liabilities	20.9	-	20.9	
	89.0	-	89.0	

Value at Risk (VaR)

VaR is a measure of the potential loss in the value of the Company's investment positions due to adverse movements in markets over a defined time horizon with a specified confidence level. Market risks that are incorporated in the VaR model include bond prices, interest rates, credit and foreign exchange rates with associated volatilities and correlations.

VaR metrics

The 1 day VaR at 99% confidence level as of each of the dates indicate are as follows:

VaR as at March 31, 2021 - ₹ 28.1 million

VaR as at March 31, 2020 - ₹ 46.8 million

Assumptions

The Company uses a single VaR model in order to determine the total VaR for the Company. The Company's VaR methodology uses historical simulation to estimate potential profit or loss. Historical market moves are repeatedly applied to current exposure, forming a distribution of simulated portfolio returns. From this distribution the required potential losses can be estimated at required confidence levels or probabilities. VaR is calculated at a 99% confidence level and using a 1-day time horizon.

The VaR model uses a historical time window of two years (520 business days). For risk management, the Company uses an exponential weighted moving average VaR. For the calculation of VaR, the probability weight assigned to each measure of estimated profit or loss in the historical simulation scenarios depends on when it occurred. The older the observation, the lower the weight.

The Company's VaR model uses time series for each individual underlying, whenever available. Whenever a time series cannot be found for a specific underlying, the VaR model will follow 'proxy logic' to map the exposure to an appropriate time series. The level of proxying taking place in the VaR model is carefully monitored through internal risk management processes and there is a continual effort to source new time series to use in the VaR calculation.

Objectives and Limitations of the VaR methodology

The main advantage of VaR as a risk measure is that it is able to aggregate risk from different asset classes (in contrast with other risk measures sensitivities that cannot be easily aggregated directly). The risk from different products of the Company can therefore easily be compared and aggregated using VaR.

As a risk measure, however, VaR has certain limitations. One of the main disadvantages with VaR is that it is a backward-looking risk measure. Using historical market moves to estimate future losses assumes that only events that have actually happened in the past are relevant to analyse the risk of a portfolio.

In addition, VaR only gives an estimate of the loss at a stated 95th percentile (i.e. in five out of 100 days the loss will be greater than 1-day VaR), but not what the magnitude of loss could be whenever the loss does exceed VaR.

VaR as a risk measure is most appropriate for liquid markets and may understate the financial impact of severe events for which there is no historical precedent on where market liquidity may not be reliable. In particular, historical correlations can break down in extreme markets leading to unexpected relative market moves. This may make positions that off-set each other in VaR modelling move in the same direction thus increasing losses. VaR also does not fully capture the impact of defaults by issuers as these are very rare events.

Given the limitations of the VaR model, the Company uses VaR only as one component of a diverse market risk management process

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Notes to Financial Statements for the year ended March 31, 2021

iv. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

Exposure to interest rate risk for non-trading financial assets and liabilities:

The Company does not have any floating rate financial assets and liabilities as at the reporting date, therefore a change in interest rate would not affect profit and loss.

v. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to currency risk on account of its trading activities in exchange traded currency futures. The functional currency of the Company is Indian Rupee (₹).

At present, the Company does not have any exposure in foreign currency. (Previous year: NIL)

vi. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in raising funds to meet its working capital requirements and commitments, including those associated with financial instruments.

The Company's liquidity risk appetite is defined by the requirement to maintain sufficient liquidity (through holding a highly liquid pool of high quality, unencumbered assets that can be monetized) across market cycles and periods of stress such that all funding requirements and unsecured debt obligations falling due within the two separately defined stress scenarios can be met without the need to roll unsecured financing.

The Company has established an Asset and Liability Committee ("ALCO") to define its policy relating to funding and liquidity risk.

The Company's finance department monitors, on an ongoing basis, the Company's funding requirements and its forecasts, maturity mismatches and liquidity ratios in order to enable the Company meet its short-term funding requirements.

The Company maintains a portfolio of highly liquid and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow. Liquidity risk is also mitigated through the close monitoring of exposure to avoid undue concentration

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
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Exposure to liquidity risk

As at March 31, 2021

In ₹ million

Particulars	Carrying amount	1 to 7 days	8 to 14 days	15 to 30/31 days	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 to 3 years	Over 3 to 5 years	Over 5 years
Financial assets											
Cash and cash equivalents	8.3	8.3	-	-	-	-	-	-	-	-	-
Receivables											
- Trade receivables	-	-	-	-	-	-	-	-	-	-	-
Loans ^s	-	-	-	-	-	-	-	-	-	-	-
Investments ^{#s}	6,985.5	1,446.5	4,338.0	-	-	-	76.1	15.3	858.4	126.2	125.0
Other financial assets	392.3	128.7	212.5	3.6	-	-	12.3	0.3	32.9	2.0	-
Foreign currency assets ^s	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities											
Borrowings ^s	-	-	-	-	-	-	-	-	-	-	-
Debt securities ^s	-	-	-	-	-	-	-	-	-	-	-
Deposits ^s	-	-	-	-	-	-	-	-	-	-	-
Lease liability	62.3	-	-	0.5	0.5	0.5	1.5	3.2	14.0	17.2	24.9
Other financial liabilities	50.2	-	-	9.1	41.5	-	-	-	-	-	-
Foreign currency liabilities ^s	-	-	-	-	-	-	-	-	-	-	-
Inflows	7,386.1	1,583.5	4,550.5	3.6	-	-	88.4	15.6	891.3	128.2	125.0
Outflows	112.5	-	-	9.6	42.0	0.5	1.5	3.2	14.0	17.2	24.9

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

As at March 31, 2020

In ₹ million

Particulars	Carrying amount	1 to 7 days	8 to 14 days	15 to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 year	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years
Financial assets											
Cash and cash equivalents	18.6	18.6	-	-	-	-	-	-	-	-	-
Receivables											
- Trade receivables	60.0	60.0	-	-	-	-	-	-	-	-	-
Loans [§]	-	-	-	-	-	-	-	-	-	-	-
Investments ^{#§}	6,276.1	1,048.9	3,795.5	-	629.2	-	150.0	412.5	90.0	-	150.0
Other financial assets	258.3	21.7	78.1	9.8	-	-	29.8	107.6	4.2	-	7.1
Foreign currency assets [§]	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities											
Borrowings [§]	-	-	-	-	-	-	-	-	-	-	-
Debt securities [§]	-	-	-	-	-	-	-	-	-	-	-
Lease liability	68.1	-	-	0.5	0.5	0.5	1.4	2.9	13.0	15.2	34.1
Other financial liabilities	20.9	-	-	10.3	10.6	-	-	-	-	-	-
Foreign currency liabilities [§]	-	-	-	-	-	-	-	-	-	-	-
Inflows	6,613.0	1,149.2	3,873.6	9.8	629.2	-	179.8	520.1	94.2	-	157.1
Outflows	89.0	-	-	10.8	11.1	0.5	1.4	2.9	13.0	15.2	34.1

[§]Disclosure pursuant to Annexure XIV of RBI/DNBR/2016-17/45 Master Directions DNBR.PD.004 /03.10.119/2016-17 Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 (as updated on February 17, 2020).

*Investments and accrued interest on investments are classified as per the "Liquidity risk framework" adopted by the Company based on RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019.

#All listed corporate bonds will be placed in the "1 day to 30/31 days" buckets depending on the defeasance period as defined in the Company's Asset Liability Management ("ALM") Policy.

29. Capital Management

The Company's objectives when managing capital are:

- To maintain adequate level of capital to ensure compliance with prevailing regulatory requirements.
- To safe guard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain an optimal capital structure to reduce the cost of capital.

The Board seeks to maintain a balance between the higher returns on capital that might be possible by running higher levels of leverage and the advantages and security afforded by a sound capital position.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

Leverage Ratio

The Company monitors capital using 'borrowing' to 'net owned funds' ratio. For this purpose, 'net owned funds' comprises of all components of equity less intangible assets (including capital work in progress) deferred tax asset.

It is the Company's policy to keep this ratio below, 2 times of net owned funds or borrowings of ₹ 10,000 million, whichever is lower. The Company's borrowing to net owned funds ratio at March 31, 2021, along with the comparative, was as follows:

Type	In ₹ million	
	March 31, 2021	March 31, 2020
Total borrowings (including lease liability)	62.3	68.1
Net owned funds	7,352.8	6,616.1
Adjusted net debt to equity ratio	0.01	0.01

30. Employee Benefits

The Company contributes to the following post-employment defined benefit plans in India.

i) **Defined contribution plans:**

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contribution is due. The Company has no obligation, other than the contribution payable to the provident fund.

ii) **Defined benefit plan:**

A defined benefit plan is a post-employment benefit plan, other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employee has earned in return for their service in the Company. Present value of such future benefit becomes the liability to the Company. Any unrecognized past service cost is considered while calculating this liability. The discount rate is determined using the government bond yield, published by FIMMDA, of the maturity equivalent to the expected term of the obligation.

Remeasurements of the net defined benefit liability, which comprise of actuarial gains and losses, are recognised immediately in OCI

The Company determines the net interest expense on the net defined benefit liability for the year by applying the discount rate used to measure the defined benefit obligation to the beginning of the period balance of net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

Gratuity liability is a defined benefit obligation, calculated by an actuary, using projected unit credit method at end of each financial year. Actuarial gains and losses are recognized in full in the period in which they occur in the OCI.

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and exposes the Company with the following risks:

a) **Interest rate risk**

A fall in the discount rate which is linked to the government bond yield will increase the present value of the liability requiring a higher provision.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2021

b) Salary increment risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

c) Asset liability matching ("AL") risk

The plan faces the AL risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds as the defined benefit plan of the Company is unfunded.

d) Mortality risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

e) Regulatory risk

Risk associated with change in regulation.

Particulars	In ₹ million	
	March 31, 2021	March 31, 2020
Present value of defined benefit obligation	(5.7)	(5.8)
Fair value of plan assets	-	-
Funded status (Surplus/(Deficit))	(5.7)	(5.8)
Non-current	(4.8)	(4.9)
Current	(0.9)	(0.9)

A. Movement in net defined benefit (asset) / liability

The following table shows reconciliation from the opening balance to the closing balances for net defined benefit liability and its components.

Particulars	In ₹ million	
	March 31, 2021	March 31, 2020
Present value of defined benefit obligation		
a. Opening balance	5.8	5.2
Included in statement of profit & loss:		
b. Current service cost	0.2	0.1
c. Past service cost	-	-
d. Transfer in/out	-	-
e. Interest cost	0.4	0.4
f. Benefits paid	(0.7)	-
g. Sub-total (a+b+c+d+e+f)	5.7	5.7
Included in other comprehensive income		
h. Demographic assumption	0.1	-
i. Financial assumption	0.1	0.2
j. Experience assumption	(0.2)	(0.1)
k. Closing balance (g+h+i+j)	5.7	5.8

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

B. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.26%	6.59%
Salary escalation	7.00%	7.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ultimate	
Employee turnover rate (for different age	13.00%	12.00%

The estimate of future salary increases, considered in actuarial valuation takes into consideration inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

ii. Amount for the current and previous two periods are as follows:

Particulars	In ₹ million	
	March 31, 2021	March 31, 2020
Defined benefit obligation	(5.7)	(5.8)
Plan assets	-	-
Surplus/(deficit)	(5.7)	(5.8)
Experience (gain)/loss adjustments on plan liabilities	(0.2)	(0.1)
Actuarial (gain)/loss due to change in assumptions	0.2	0.2

C. Expenses recognised in statement of profit & loss

Particulars	In ₹ million	
	March 31, 2021	March 31, 2020
Current service cost	0.2	0.1
Net interest cost	0.4	0.4
Past service cost	-	-
Expected contributions by the employees	-	-
(Gains)/losses on curtailments and	-	-
Net effect of changes in foreign exchange	-	-
Expenses recognised	0.6	0.5

D. Expenses recognized in OCI

Particulars	In ₹ million	
	March 31, 2021	March 31, 2020
Actuarial (gains)/losses on obligation for the period	0.0*	0.1
Return on plan assets, excluding interest income	-	-
Change in asset ceiling	-	-
Net (income)/expense for the period recognized in OCI	0.0*	0.1

*Below the rounding off norms applied by the Company.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
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E. Sensitivity analysis

The sensitivity analyses have been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting date, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

In ₹ million

Particulars	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Delta effect of +1% change in rate of discounting	-	0.2	-	0.3
Delta effect of -1% change in rate of discounting	0.3	-	0.3	-
Delta effect of +1% change in rate of salary increase	0.1	-	0.1	-
Delta effect of -1% change in rate of salary increase	-	0.1	-	0.1
Delta effect of +1% change in rate of employee turnover	0.1	-	0.1	-
Delta effect of -1% change in rate of employee turnover	-	0.1	-	0.1

iii. Other long term employee benefits.

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognizes the charge to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on valuation by an independent actuary. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit and leave expected to be carried forward beyond 12 months, as long term employee benefit.

31. Stock appreciation rights

Equity-settled compensation scheme

The ultimate holding company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the operations of the Group. The reserve represents the equity-settled share options in the shares of the ultimate holding company, Nomura Holding Inc., granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled options of the ultimate holding company.

The vesting period of the share options is from the grant date until the commencement of the exercise period.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

The fair value of the share options as of grant date is estimated using a Trinomial Tree option model and using the following assumptions:

- Expected dividend yield based on the current dividend rate at the grant date;
- Expected volatilities based on historical volatility of the ultimate parent's common stock;
- The risk free interest rate estimate based on yen swap rate with a maturity equal to the expected lives of options
- Expected lives of the awards determined based on historical experience and
- Share price of the ultimate parent's common stock;

The following table lists the inputs to the model used for the options outstanding as of March 31, 2021:

Grant date	Dividend yield	Volatility	Risk-free interest	Expected life of share option	Share price
	%	%	%	Year	¥
June 05, 2015	1.68	23.68	0.33	5-7	848.0
June 09, 2017	1.67	25.4	0.03	5-7	683.0

The following share options were outstanding under the plans during the year:

Particulars	Number of options	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening balance	57.0	115.0
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	(57.0)	(58.0)
Expired during the year	-	-
Transferred during the year	-	-
Closing balance	-	57.0
Exercisable at the end of the year	-	-

The weighted average remaining contractual life for the share options outstanding as at March 31, 2021 is NIL (March 31, 2020 5.73 years).

For stock options, the exercise price for options outstanding at March 31, 2021 is NIL (March 31, 2020 ¥1 per share).

The weighted average share price at the date of exercise for share options exercised during the year is ¥690.19 per share (March 31, 2020: ¥369.77 per share).

The weighted average fair value of options granted during the year is NIL (March 31, 2020: NIL per share). The charge to the Statement of Profit and Loss account on account of SAR's for the current year is NIL (March 31, 2020 is ₹ 1.0million).

Restricted Stock Units ('RSU')

The ultimate holding company granted the first RSU awards in May 2019. For each RSU award, one common stock of NHI is delivered. The awards generally have a graded vesting period over three years with an extending vesting period of up to seven years for certain senior management and employees in order to meet local regulatory requirements based on the role they perform within Nomura. The grant date fair value per award is determined using the price of the NHI's common stock.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

The following table sets out the movement of the RSU awards during the financial year:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening balance	-	-
Granted during the year	3,100.0	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Transferred during the year	-	-
Closing balance	3,100.0	-

The expense recognised in statement of profit and loss on account of 'SAR' for the current year is ₹0.5million. (March 31, 2020 was NIL).

Cash-settled compensation scheme

Supplemental awards such as Notional Stock Units ("NSU"), Notional Indexed Units ("NIU") and Collared Notional Stock Units ("CSU") are granted to the Company's employees. NSU and CSU are linked to the ultimate holding company's stock price whereas NIU is linked to a world stock index quoted by Morgan Stanley Capital International that has graded vesting over three to five years of grant date. All these awards are cash settled.

32. Income Tax and Deferred Tax

1. Amounts recognised in Statement of Profit and Loss

Particulars	In ₹ million	
	As at March 31, 2021	As at March 31, 2020
Current tax expense		
a. Current year	136.0	205.7
b. Changes in estimates relating to prior years	(1.4)	0.1
	134.6	205.8
Deferred tax expense		
a. Origination and reversal of temporary differences	84.8	(174.6)
b. Change in tax rate	-	11.3
c. Recognition of previously unrecognised tax losses	(0.2)	(0.2)
	84.6	(163.5)
Tax expense recognised in the Statement of Profit and Loss	219.2	42.3

2. Amounts recognised in other comprehensive income

Particulars	In ₹ million					
	As at March 31, 2021			As at March 31, 2020		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Items that will not be reclassified to Statement of Profit or Loss						
Re-measurements of the defined benefit plans	0.0*	0.0*	0.0*	(0.1)	0.0*	(0.1)

*Below the rounding off norms applied by the Company.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

3. Reconciliation of effective tax rate

Particulars	In ₹ million	
	As at March 31, 2021	As at March 31, 2020
Profit before tax	870.9	110.4
Tax using the Company's domestic tax rate (Current year 25.17% Previous year 25.17%)	219.2	27.8
Changes in tax rate	-	11.3
Tax effect of:		
Interest u/s 234B and u/s 234C	0.3	0.5
Non-deductible tax expense	(0.1)	2.9
Recognition of previously unrecognised deductible temporary difference	(0.2)	(0.2)
Tax expense recognised in the Statement of Profit and Loss	219.2	42.3

The effective tax rate for the year ended March 31, 2021 was 25.2%. (March 31, 2020: 38.2%)

4. Movement in deferred tax balances

As at March 31, 2021

In ₹ million

Particulars	Opening balance	Recognised in statement of profit and loss	Recognised in OCI	Deferred tax asset	Deferred tax liability
Provision for Leave encashment	1.7	0.3	-	2.0	-
Provision for Gratuity	1.4	0.0*	-	1.3	-
Provision on GST asset	2.3	0.2	-	2.5	-
Depreciation	0.0*	0.0*	-	0.0*	-
Unrealised loss on investments	235.6	(83.4)	-	152.2	-
Lease liabilities	1.0	0.5	-	1.5	-
Provision for expected credit losses	4.9	(4.9)	-	-	-
Provision for doubtful debts	-	2.8	-	2.8	-
Re-measurements gain/(loss) on defined benefit plan	-	-	0.0*	0.0*	-
Total	246.9	(84.6)	0.0*	162.3	-

*Below the rounding off norms applied by the Company.

As at March 31, 2020

In ₹ million

Particulars	Opening balance	Change in accounting policy**	Recognised in statement of profit and loss	Recognised in OCI	Deferred tax asset	Deferred tax liability
Provision of deferred bonus	0.4	-	(0.4)	-	-	-
Provision for Leave encashment	1.7	-	0.0*	-	1.7	-
Provision for Gratuity	1.5	-	(0.1)	-	1.4	-
Provision on GST asset	3.5	-	(1.2)	-	2.3	-
Depreciation	0.0*	-	0.0*	-	0.0*	-
Unrealised loss on investments	72.3	-	163.3	-	235.6	-
Lease liabilities	-	0.4	0.6	-	1.0	-
Provision for expected credit losses	3.6	-	1.3	-	4.9	-
Re-measurements gain/(loss) on defined benefit plan	-	-	0.0*	0.0*	-	-
Total	83.0	0.4	163.5	0.0*	246.9	-

*Below the rounding off norms applied by the Company.

** Refer note 43.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

33. Earnings Per Share

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	March 31, 2021	March 31, 2020
Net Profit attributable to equity holders of the Company (In ₹ million)	651.7	68.0
Weighted average number of shares at the end of the year	130,000,000	130,000,000
Face value per share	10.0	10.0
Basic and diluted earnings per share	5.01	0.52

34. Segment Reporting

Mr. R. Arun has been identified as the Chief Operating Decision Maker (CODM). The CODM regularly reviews the performance reports and makes decisions about allocation of resources.

An operating segment is a component of the Company that engages in business activities from which it earns revenue and incurs expenses, for which discrete financial information is available.

The Company is a Non-banking financial institution and is primarily engaged in lending and investing activities. The Company's operations fall under single business segment.

Further the business operations of the Company are primarily concentrated in India. The Company is considered to operate in the single geographical segment i.e. domestic segment.

Since the Company's current business activities primarily falls within a single business and geographical segment, no additional disclosures are required as per Ind AS 108.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

35. Related Party Disclosure

1. Names of related parties:

Nature of relationship	Name of party
Parent company	Nomura Asia Investment (Fixed Income) Pte. Ltd.
Ultimate parent company	Nomura Holdings, Inc.

2. Names of related parties with whom transactions have taken place during the period:

Nature of relationship	Name of party
Fellow subsidiaries	Nomura Services India Private Limited
	Nomura Structured Finance Services Private Limited
	Nomura Financial Advisory and Securities (India) Private Limited
	Nomura Fixed Income Securities Private Limited
	Nomura Singapore Limited
	Nomura Investments (Singapore) Pte. Limited
	Nomura Asset Management Co.
Key management personnel	Mr. R. Arun
	Mr. Shantanu Sahai
	Mr. Vikas Murarka
	Mr. Vipul Chatwani
	Mr. Manish Lath (Date of resignation September 30, 2020)

NOMURA CAPITAL (INDIA) PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2021

In ₹ million

Name of related party	Nature of relationship	Nature of transaction	Transactions during the period ended March 31, 2021	Amount outstanding as at March 31, 2021 Receivable/ (Payable)	Transactions during the period ended March 31, 2020	Amount outstanding as at March 31, 2020 Receivable/ (Payable)
Nomura Financial Advisory & Securities (India) Private Limited	Fellow subsidiary	Support cost recharge*	22.7	(2.6)	24.0	(2.8)
		Support cross charge (CSR)*	-	-	0.1	-
		Purchase of property plant & equipment*	-	-	0.2	(0.2)
		Other expenditure	0.7	0.0**	-	-
		Recharge to group companies*	13.8	1.8	14.3	1.6
Nomura Services India Private Limited	Fellow subsidiary	Legal and professional fees*	15.5	(1.3)	18.8	(1.7)
		Recharge to group companies*	-	-	0.0**	-
Nomura Structured Finance Services Private Limited	Fellow subsidiary	Legal and professional fees*	2.0	(0.2)	1.9	(0.1)
Nomura Fixed Income Securities Private Limited	Fellow subsidiary	Recharge to group companies*	9.7	1.6	9.1	-
Nomura investments (Singapore) Pte.	Fellow subsidiary	Purchase of securities	2,828.7	-	4,956.4	-
		Sale of securities	-	-	2,563.7	-
Nomura Singapore Limited	Fellow subsidiary	Purchase of securities	-	-	802.6	-
Nomura Asset Management Co.#	Fellow subsidiary	Purchase of securities	1,339.5	-	446.9	-
		Sale of securities	-	-	154.0	-
Directors	Key management personnel	Short term employee benefits	59.0	(35.6)	30.7	(8.2)
		Post employment benefits	1.4	(0.1)	1.3	(0.1)
		Termination benefits	-	-	-	-
		Employee share based payments	0.5	-	1.6	(0.6)

*Inclusive of goods and service tax.

Transaction entered with The Nomura Trust and Banking Co. Limited as the trustee of Indian Local Currency Denominated Bond Mother Fund which is managed by Nomura Asset management Co.

** Below rounding off norms adopted by the Company.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

36. Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the year presented below:

Particulars	In ₹ million	
	As at March 31, 2021	As at March 31, 2020
Lease liability	62.3	68.1

Particulars	In ₹ million	
	As at March 31, 2021	As at March 31, 2020
Net debt as at April 1, 2020	68.1	73.7
Comprises of :		
As per balance sheet	68.1	73.7
Interest accrued	-	-
Cash flows	(10.8)	(11.0)
Interest expense	5.0	5.4
Interest paid	-	-
Other non-cash movements		
- Fair value adjustments	-	-
- Acquisitions/disposals	-	-
Net debt as at March 31, 2021	62.3	68.1
Balance	62.3	68.1

37. Income/Expenditure in foreign currency: (on accrual basis)

a) Income in foreign currency

Current Year: NIL (Previous Year: NIL)

b) Expenditure in foreign currency

Particulars	In ₹ million	
	2020-21	2019-20
Other expenses	0.4	0.1
	0.4	0.1

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Notes to Financial Statements for the year ended March 31, 2021

38. Disclosure pursuant to Annexure XIV of RBI/DNBR/2016-17/45 Master Directions DNBR.PD.004/03.10.119/2016-17 Master Direction-Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 (as updated on February 17, 2020).

a. Capital to risk assets ratio (CRAR)

Particulars	March 31, 2021	March 31, 2020
Capital Adequacy Ratio	102.91%	98.39%
Tier 1 Capital Adequacy Ratio	102.91%	98.09%
Tier 2 Capital Adequacy Ratio	0.00%	0.30%
Amount of Subordinated Debt raised as Tier II Capital	-	-
Amount raised by issue of Perpetual Debt instruments	-	-

b. Investments

Particulars	In ₹ million	
	As at March 31, 2021	As at March 31, 2020
1) Value of Investments		
i) Gross value of Investments*		
a) In India	6,985.5	6296.00
b) Outside India	-	-
ii) Provision for depreciation**		
a) In India	-	19.9
b) Outside India	-	-
Net value of Investment*		
a) In India	6,985.5	6276.1
b) Outside India	-	-
2) Movement of provisions held towards depreciation on Investments**		
i) Opening balance	19.9	12.5
ii) Add: Provision made during the year	-	7.4
iii) Less: Write off/write back of excess provision during the year	(19.9)	-
iv) Closing balance	-	19.9

* Includes change in fair value.

** Provision for ECL on investments measured at amortised cost.

c. Derivatives

a. Interest rate swaps and Forward rate agreements

The Company has not entered into Interest rate swaps and Forward rate agreements during the year 2020-21. (Previous year: NIL)

b. Exchange traded interest rate derivative

The Company has not entered into exchange traded interest rate derivative during the year 2020-21. (Previous year: NIL)

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

c. Disclosure on risk exposure

The Company has formulated and adopted a Risk Management Framework to identify and take appropriate measures to mitigate the risks impacting the business of the Company.

The Risk Management Framework lays down the procedures for identification of risks, assessment of its impact on the business of the Company and the efficacy of the measures taken to mitigate the same. The risks are evaluated at an inherent and residual level, based on the impact of such risks and the likelihood of its occurrence.

The Risk Management Committee (RMC) is responsible for ensuring that the appropriate methodology, processes and systems are in place for monitoring, identifying and reviewing the risks associated with the business of the Company.

RMC reviews compliance with risk policies, monitors risk limits, reviews and analyzes risk exposure related to specific issues and provides oversight of risk across the Company. The minutes of RMC is placed before the Board for its review and consideration.

The Company also has an investment policy that includes all the derivatives transactions. This policy covers the nature of derivative products, defines a pre-approved risk framework within which the Company can enter into various derivative transactions, and defines risks that can be taken to use derivatives for hedging purposes and to outline accounting and operational processes governing the above.

d. Securitisation

The Company has not entered into any securitisation transactions during the year 2020-21. (Previous years: NIL).

e. Details of non-performing financial assets purchased/sold

The Company has not purchased or sold any non-performing financial assets during the year 2020-21. (Previous years: NIL).

f. Exposures

a. Exposure to real estate sector

(Disclosure also in pursuant to RBI circular no. RBI/2008-09/116 DNBS (PD).CC No.125/03.05.002/2008-2009 dated August 1, 2008)

The Company does not have direct exposure to residential or commercial real estate nor made any investment in mortgage backed securities ("MBS") and other securitized exposures for the year 2020-21. (Previous years: NIL).

b. Exposure to capital markets

The Company does not have any exposure to capital markets for the year 2020-21. (Previous year: NIL)

g. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

During the financial year 2020-21, the Company has not exceeded the Single Borrower Limits or the Group Borrower Limits laid down by the Reserve Bank of India (RBI). (Previous years: NIL)

h. Unsecured Advances

The Company has not made any unsecured advances during the current year (Previous years: NIL)

i. Registration obtained from other financial sector regulators

The Company has not obtained registration from any other financial regulator in FY 2020-21. (Previous years: NIL)

NOMURA CAPITAL (INDIA) PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2021

j. Disclosures of Penalties imposed by RBI and other regulators
There has been no penalty imposed by RBI or other regulators on the Company during the year 2020-21 (Previous years: NIL)

k. Rating assigned by credit rating agencies and migration of ratings during the year.

i. Ratings assigned: Rating Agency – India Ratings and Research Private Limited.

ii. Long-term principal protected equity linked debentures – IND PP-MLDAAAemr/Stable

iii. Short-term commercial paper programme – IND A1+

(March 2, 2021 to March 1, 2022)

iv. There has not been any migration of ratings during the year.

l. Provisions and contingencies

In ₹ million

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	March 31, 2021	March 31, 2020
Provision for depreciation on Investments	(19.9)	7.4
Provisions towards NPA	-	-
Provision made towards income taxes (Including deferred taxes and tax reversal for prior years)	219.2	42.3
Other provisions and contingencies		
Provision for gratuity	0.6	0.5
Provision for compensated absences	1.8	1.1
Provision on goods and service tax asset	0.7	(3.5)
Provision on doubtful debts for accrued interest	11.3	-

m. Drawdown from reserves

The Company has not drawn out any amount from reserves in FY 2020-21. (Previous year: NIL)

n. Concentration of Deposits, Advances, Exposure and NPAs.

a. Concentration of deposits (for deposit taking NBFC)

Particulars	March 31, 2021	March 31, 2020
Total deposits of twenty largest depositors (In ₹ million)	NIL	NIL
Percentage of deposit to twenty largest depositors to total deposits of the NBFC	NA	NA

b. Concentration of advances

Particulars	March 31, 2021	March 31, 2020
Total advances to twenty largest borrowers (In ₹ million)	NIL	NIL
Percentage of advances to twenty largest borrowers to total advances of the NBFC	NA	NA

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

c. Concentration of exposures

Particulars	March 31, 2021	March 31, 2020
Total exposure to twenty largest borrowers (In ₹ million)	7,302.1	6,532.8
Percentage of exposure to twenty largest borrowers to total exposure of the NBFC	100.0%	100.0%

d. The Company does not have any non-performing assets as at March 31, 2021.
(Previous year: NIL)

o. Customer Complaints

Particulars	March 31, 2021	March 31, 2020
No. of complaints pending at the beginning of the year	NIL	NIL
No. of complaints received during the year	NIL	NIL
No. of complaints redressed during the year	NIL	NIL
No. of complaints pending at the year	NIL	NIL

39. Contingent liabilities

The company is in litigation with tax office in respect of certain additions made to the returned income. The company has appealed against all of the below orders and the same are pending before the Commissioner of Income Tax (Appeals)

Particulars	In ₹ million	
	March 31, 2021	March 31, 2020
Income Tax FY 2011-12 (AY 2012-13)	9.5	9.5
Income Tax FY 2012-13 (AY 2013-14)	94.0	94.0
Income Tax FY 2013-14 (AY 2014-15)	19.3	19.3
Income Tax FY 2014-15 (AY 2015-16)	8.6	8.6
Total	131.4	131.4

40. **A.** As required by Paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 (as updated on February 17, 2020) is appended herewith as an Annexure I.

B. As required by Appendix I of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 – Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies dated November 04, 2019 is appended herewith as an Annexure II.

41. The Company has a comprehensive system of maintenance of information and documents required by transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Based on the information and available documents, the Company is of the view that all international transactions are at arm's length and hence the above legislation will not have any material impact on the financial statements, particularly on the amount of tax expense and that of provision for taxes.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

42. Maturity analysis

The table below classifies all the assets and liabilities according to their expected maturity, i.e. recovery or settlement in the next 12 months.

In ₹ million

Particulars	March 31, 2021			
	Assets	Within 12 months	After 12 months	Total
Financial assets				
Cash and cash equivalents		8.3	-	8.3
Receivables				
- Trade receivables		-	-	-
Investments*		6,860.5	125.0	6,985.5
Other financial assets		392.3	-	392.3
Non-financial assets				
Current tax assets (net)		-	38.5	38.5
Deferred tax assets (net)		-	162.3	162.3
Property, plant and equipment		-	0.5	0.5
Right of use asset		-	56.5	56.5
Intangible assets under development		-	-	-
Other intangible assets		-	0.4	0.4
Other non-financial assets		0.7	-	0.7
Total		7,261.8	383.2	7,645.0
Liabilities and Equity				
Financial liabilities				
Lease liability		6.2	56.1	62.3
Other financial liabilities		50.2	-	50.2
Non-financial liabilities				
Current tax liabilities (net)		-	-	-
Provisions		1.9	11.7	13.6
Other non-financial liabilities		3.4	-	3.4
Total		61.7	67.8	129.5
Net Shareholders Funds		7,200.1	315.4	7,515.5

*Level 3 securities has been bucketed as per their residual maturities.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

In ₹ million

Particulars	March 31, 2020			
	Assets	Within 12 months	After 12 months	Total
Financial assets				
Cash and cash equivalents		18.6	-	18.6
Receivables				
- Trade receivables		60.0	-	60.0
Investments*		6,036.1	240.0	6,276.1
Other financial assets		247.0	11.3	258.3
Non-financial assets				
Current tax assets (net)		14.0	32.0	46.0
Deferred tax assets (net)			246.9	246.9
Property, plant and equipment		-	0.2	0.2
Right to use asset		-	64.3	64.3
Intangible assets under development		-	0.2	0.2
Other intangible assets		-	0.1	0.1
Other non-financial assets		0.7	-	0.7
Total		6,376.4	595.0	6,971.4
Liabilities and Equity				
Financial liabilities				
Lease liability		5.8	62.3	68.1
Other financial liabilities		20.9	-	20.9
Non-financial liabilities				
Current tax liabilities (net)		4.1	-	4.1
Provisions		1.7	10.7	12.4
Other non-financial liabilities		2.6	-	2.6
Total		35.1	73.0	108.1
Net Shareholders Funds		6,341.3	522.0	6,863.3

*Level 3 securities has been bucketed as per their residual maturities.

43. Change in accounting policy

There has not been any change in the accounting policy in FY 2020-21.

Previous year there was a change in the accounting policy as the Company adopted Ind AS 116, Leases, in its financial statements.

The impact for this change is given as below:

Impact on the financial statements - lessee accounting.

As indicated in note 3.4 of significant accounting policies, the Company has adopted Ind AS 116 retrospectively from April 01, 2019, but has not restated comparatives for year ended March 31, 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on April 01, 2019.

On adoption of Ind AS 116, the company recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 01, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on April 01, 2019 was 8.02%

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

Practical expedients applied

In applying Ind AS 116 for the first time, the company has used the following practical expedients permitted by the standard:

- a. relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review - there were no onerous contracts as at April 01, 2019
- b. excluding initial direct costs for the measurement of the right of use asset at the date of initial application, and
- c. using hindsight in determining the lease term where the contract contains a lease at the date of initial application

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying Ind AS 17, determining whether an arrangement contains a lease.

Adjustments recognised in the balance sheet on April 01, 2019

The change in accounting policy affected the following items in the balance sheet:

Right-of-use assets – increase by ₹ 72.1million

Deferred tax assets (net) - increase by ₹ 0.4million

Lease liabilities – increase by ₹ 73.7million

The net impact on retained earnings was decrease of ₹ 1.2million (net of deferred tax).

44. Impact of COVID 19

The Covid-19 pandemic has impacted most economies globally, including India. The nation-wide lockdown during April-May 2020 and subsequent localized / regional lockdown has substantially impacted economic activity in the Country.

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

The easing of lockdown measures subsequently led to gradual improvement in economic activity and progress towards normalcy. However, the current second wave of Covid-19 pandemic, where the number of new cases has increased significantly in India, has resulted in re-imposition of localised/regional lockdown measures in various parts of the country and has impacted the recovery in the economic activities in the Country.

The Company is primarily engaged in lending and investing activities. The Company is into the business of investing in Corporate Bonds/Debentures, Commercial Papers, Certificate of Deposits, units of Mutual Funds and other marketable securities. The Company also offers loans to Corporates in India. The Company's operations have continued through the lock down period without any significant impact.

The Company has made an assessment of its liquidity position and carrying value of its assets comprising Investments, Trade Receivables and others financial and non-financial assets as at balance sheet date, and has concluded that there are no material adjustments required in the financial statements, other than those already considered. The Company believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial statements.

Employees have continued to work from home during the lock down period and the Company has taken necessary measures to ensure continuity of business and operations in a seamless manner. The internal financials controls are in place to take care of current situation.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

45. The Company has applied for subscription of compulsory convertible debentures ("CCD") of Avanti Finance Private Limited amounting to INR 72.1 million in FY 2020-21. The same has been allotted on April 07, 2021.

46. Company aims to positively contribute towards economic, environmental and social well-being of communities through its Corporate Social Responsibility ("CSR") agenda. CSR programme undertaken are in the area of Disaster Relief (Covid-19), Healthcare, Education, Skill development and Livelihood. The Company's CSR footprint has been consistently increasing over the years. As per the provisions of the Section 135 of the Companies Act, 2013, the Company is required to spend ₹ 5.0 million during the year on CSR activities.

Details of corporate social responsibility expenditure

In ₹ million

Sr No	Particulars	March 31, 2021	March 31, 2020
a	Amount required to be spent during the year	5.0	7.5
b	Amount spent during the year		
i.	Construction/acquisition of any asset	2.0	-
ii.	On purposes other than (i) above	3.1	7.5

Disclosures in relation to corporate social responsibility expenditure

In ₹ million

Sr No	Particulars	March 31, 2021	March 31, 2020
a	Contribution to Sri Satya Sai Books and Publications Trust	2.0	-
b	Contribution to Janakalyan Sevashram	2.1	-
c	Contribution to Give Foundation	0.0*	-
d	Contribution to Akshaya Patra Foundation	-	2.2
e	Contribution to Bhagwan Mahavir Vikalang Sahayata Samiti	0.5	1.5
f	Contribution to Agastya International Foundation	-	1.9
g	Contribution to Shraddha Trust	-	1.5
h	Other administrative cost	0.5	0.5
i	Accrual towards unspent obligations in relation to:		
i	Ongoing project	-	-
ii.	Other than ongoing project	-	-
j	Amount required to be spent as per Section 135 of the Act	5.0	7.5
k	Amount approved by the Board to be spent during the year	5.1	7.5
l	Amount spent during the year on:		
i.	Construction / acquisition of any asset	2.0	-
ii.	On purposes other than (i) above	3.1	7.5

*Below the rounding off norms adopted by the Company

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

Details of excess CSR expenditure under Section 135(5) of the Act

Sr No	Particulars	In ₹ million
		March 31, 2021
a.	Balance excess spent as at April 01, 2020	-
b.	Amount required to be spent during the year	5.0
c.	Amount spent during the year	5.1
d.	Balance excess spent as at March 31, 2021	0.1

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors of
Nomura Capital (India) Private Limited

SHARAD
AGARWAL

Digitally signed by
 SHARAD AGARWAL
 Date: 2021.06.22
 22:44:16 +05'30'

Sharad Agarwal
Partner
 Membership Number: 118522
 Place: Mumbai
 Date: June 22, 2021

ARUN
KUMAR
RAJAPPAN

Digitally signed by
 ARUN KUMAR
 RAJAPPAN
 Date: 2021.06.22
 21:01:36 +05'30'

Arun Kumar Rajappan
Director
 DIN: 07943252

Vipul
Jamnadas
Chatwani

Digitally signed by
 Vipul Jamnadas
 Chatwani
 Date: 2021.06.22
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Vipul Chatwani
Director
 DIN: 00337576

SWATI
SHAILESH
SONAR

Digitally signed by
 SWATI SHAILESH
 SONAR
 Date: 2021.06.22
 20:40:58 +05'30'

Swati Sonar
Company Secretary
 Membership Number: A48981
 Place: Mumbai
 Date: June 22, 2021

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

Annexure I

Schedules to the Balance Sheet as at March 31, 2021

(Paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 (as updated on February 17, 2020))

In ₹ million

Particulars	Amount outstanding	Amount overdue
Liabilities side:		
1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
a) Debentures	-	-
Secured	-	-
Unsecured		
b) Deferred Credits	-	-
c) Term Loans	-	-
d) Inter-corporate loans and borrowing	-	-
e) Commercial paper	-	-
f) Other loans	-	-

In ₹ million

Assets side :		Amount outstanding
2. Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
a) Secured		-
b) Unsecured		-

In ₹ million

3. Break-up of leased assets and stock on hire and other assets counting towards AFC activities:		Amount outstanding
i) Lease assets including lease rentals under sundry debtors:		
a) Financial lease		-
b) Operating lease		-
ii) Stock on hire including hire charges under sundry debtors:		
a) Assets on hire		-
b) Repossessed Assets		-
iii) Other loans counting towards AFC activities:		
a) Loans where assets have been repossessed		-
b) Loans other than (a) above		-

NOMURA CAPITAL (INDIA) PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2021

		In ₹ million
4. Break-up of Investments:		Amount outstanding
Current Investments		
1. Quoted		
i) Shares:		
a) Equity		-
b) Preference		-
ii) Debentures and Bonds		6,673.6
iii) Units of mutual funds		111.9
iv) Government Securities		
v) Others		-
2. Unquoted		
i) Shares:		
a) Equity		-
b) Preference		-
ii) Debentures and Bonds		200.0
iii) Units of mutual funds		-
iv) Government Securities		-
v) Others		-
Long Term Investments		
1. Quoted		
i) Shares:		
a) Equity		-
b) Preference		-
ii) Debentures and Bonds		-
iii) Units of mutual funds		-
iv) Government Securities		-
v) Others		-
2. Unquoted		
i) Shares:		
a) Equity		-
b) Preference		-
ii) Debentures and Bonds		-
iii) Units of mutual funds		-
iv) Government Securities		-
v) Others		-

				In ₹ million
5. Borrower group-wise classification of assets financed as in (2) and (3)				
Category	Amount net of provisions			
	Secured	Unsecured	Total	
1. Related Parties				
(a) Subsidiaries	-	-	-	
(b) Companies in the same group	-	-	-	
(c) Other related parties	-	-	-	
2. Other than related parties	-	-	-	
Total	-	-	-	

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

In ₹ million

6. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
Category	Amount net of provisions	
	Market Value	Book Value
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties*	6,985.5	6,985.5
Total	6,985.5	6,985.5

In ₹ million

7. Other information:	
Category	Total
i) Gross Non-Performing Assets	
a) Related parties	-
b) Other than related parties	-
ii) Net Non-Performing Assets	
a) Related parties	-
b) Other than related parties	-
iii) Assets acquired in satisfaction of debt	-

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2021

Annexure II

Schedules to the Balance Sheet as at March 31, 2021
(Appendix I of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 – Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies dated November 04, 2019)

a. Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	Number of significant counterparties	Amount (In ₹ million)	% of total deposits	% of total liabilities.
		-	-	-

b. Top 20 large deposits (amount in ₹ crore and % of total deposits)
NIL

c. Top 10 borrowings (amount in ₹ crore and % of total borrowings)
NIL

d. Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product	Amount (In ₹ million)	% of total liabilities.
		-	-

e. Stock Ratios:

a. Commercial papers as a % of total public funds, total liabilities and total assets
NIL

b. Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets.
NIL

c. Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets

Sr No.	Particulars	March 31, 2021	March 31, 2020
1	Other short-term liabilities as % of total public funds	-	-
2	Other short-term liabilities as % of total assets and total liabilities	0.81%	0.50%

f. Institutional set-up for liquidity risk management.

The Company has instituted and adopted the Liquidity risk framework under the Asset Liability Management Committee ("ALCO").

The Company's liquidity risk framework is at-least reviewed annually, or as the market, business and regulatory environment demand.

It is overseen by the Board, Risk Management Committee ("RMC") and ALCO.

Asset Liability Management Support Group, which consist of operating staff from Risk and Finance, analyse/monitor liquidity profile, limits & report to RMC, ALCO and Credit Risk Officer.

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Nomura Capital (India) Private Limited
Report on Audit of the Financial Statements
Page 2 of 4

responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Nomura Capital (India) Private Limited
Report on Audit of the Financial Statements
Page 3 of 4

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

Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 to the financial statements.
 - ii. The Company has made provision as at March 31, 2022, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts - Refer Note 22. The Company did not have any derivative contracts as at March 31, 2022.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or

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INDEPENDENT AUDITOR'S REPORT

To the Members of Nomura Capital (India) Private Limited
Report on Audit of the Financial Statements
Page 4 of 4

on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 45 (xiii) to the financial statements);

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 45 (xiii) to the financial statements); and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

13. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

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Sharad Agarwal
Partner
Membership Number: 118522

UDIN: 22118522ALKZXR5374

Mumbai
June 22, 2022

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 12(f) of the Independent Auditor's Report of even date to the members of Nomura Capital (India) Private Limited on the financial statements for the year ended March 31, 2022

Page 1 of 2

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Nomura Capital (India) Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 12(f) of the Independent Auditor's Report of even date to the members of Nomura Capital (India) Private Limited on the financial statements for the year ended March 31, 2022

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Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

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Sharad Agarwal
Partner
Membership Number: 118522

UDIN: 22118522ALKZXR5374

Mumbai
June 22, 2022

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Nomura Capital (India) Private Limited on the financial statements as of and for the year ended March 31, 2022

Page 1 of 5

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties (Refer Note 9 to the financial statements). Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The Company did not hold any inventory during the year. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. (a) The Company's principal business is lending and investing and it is registered with Reserve Bank of India (RBI) under section 45-IA as a non-banking financial company. Accordingly, the provisions of clause 3(iii)(a) of the Order are not applicable to the Company.
- (b) Based on our examination and the information and explanations given to us, in respect of the loan/ investments, in our opinion, the terms and conditions under which such loan was granted/ investments were made are not prejudicial to the Company's interest. Further, the Company has not stood guarantee or provided security to any parties.
- (c) In respect of the loan, the schedule of repayment of principal and payment of interest has been stipulated, and the party is repaying the principal amounts, as stipulated, and is also regular in payment of interest as applicable.
- (d) In respect of the loan, there is no amount which is overdue for more than ninety days.

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Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Nomura Capital (India) Private Limited on the financial statements for the year ended March 31, 2022.

Page 2 of 5

- (e) The Company's principal business is lending and investing and it is registered with Reserve Bank of India (RBI) under section 45-IA as a non-banking financial company. Accordingly, the provisions of clause 3(iii)(e) of the Order are not applicable to the Company.
- (f) The loan granted during the year had stipulated the scheduled repayment of principal and payment of interest and the same was not repayable on demand. Further, no loans or advances in the nature of loans were granted during the year to Promoters, related parties as defined in clause (76) of section 2 of the Act.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Section 185 and Section 186(1) are not applicable to the Company. The Company is a Non-Banking Financial Company registered with Reserve Bank of India and consequently other provisions of Section 186 are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Further, the provisions of sub-section (1) of Section 73 are not applicable to the Company as it is a non-banking financial company registered with RBI, engaged in the business of giving loans.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Tax Deducted at Source, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, income tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of goods and service tax, provident fund, cess, Tax Deducted at Source which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in millions)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	9.49 (Amount of Rs. 1.50 paid under protest to the tax authorities)	AY 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	94.01 (Amount of Rs. 14.2 paid under protest to the tax authorities)	AY 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	20.77 (Amount of Rs. 3.20 paid under protest to the tax authorities)	AY 2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	8.6 *	AY 2015-16	Commissioner of Income Tax (Appeals)

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Nomura Capital (India) Private Limited on the financial statements for the year ended March 31, 2022.

Page 3 of 5

* Amount has been adjusted from refund of the same year.

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short term basis.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, the reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order are not applicable to the Company.
- x (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Nomura Capital (India) Private Limited on the financial statements for the year ended March 31, 2022.

Page 4 of 5

- complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has not entered into transactions with related parties during the year under section 177 and 188 of the Act. Accordingly, the reporting under clause 3(xiii) of the Order to this extent is not applicable to the Company. However, as per Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, details in respect of other related parties have been disclosed in the financial statements.
- xiv (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a Non-Banking Financial Institution without accepting public deposits.
- (b) The Company has conducted non-banking financial activities during the year and the Company holds a valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 37 (a) to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of

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Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Nomura Capital (India) Private Limited on the financial statements for the year ended March 31, 2022.

Page 5 of 5

meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

- xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

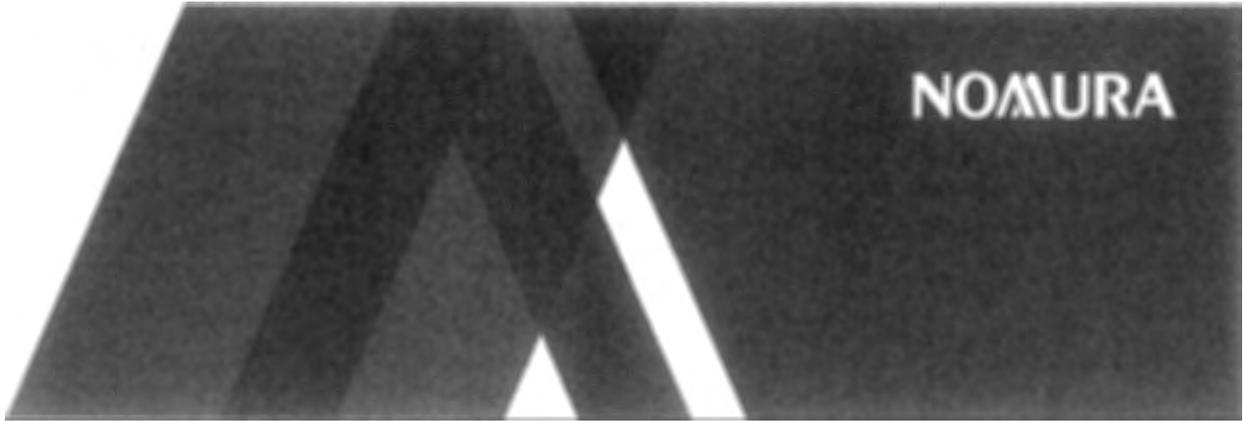
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

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Sharad Agarwal
Partner
Membership Number: 118522

UDIN: 22118522ALKZXR5374

Mumbai
June 22, 2022



Nomura Capital (India) Private Limited

Audited Financial Statements FY 2021-22

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Price Waterhouse Chartered Accountants LLP

Independent Auditor's Report

To the Members of Nomura Capital (India) Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Nomura Capital (India) Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors' report, but does not include the financial statements and our auditor's report thereon. The Board of Directors' report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board of Directors' report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the financial statements

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This

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Registered office and Head office : Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002
Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LUPIN AAC-5001) with effect from July 25, 2014. Post its Conversion to Price Waterhouse Chartered Accountants LLP, its (CA) registration number is 012754N/NS03016 (CAI registration number before conversion was 0127540)

NOMURA CAPITAL (INDIA) PRIVATE LIMITED

Balance sheet as at March 31, 2022

	Note	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Assets			
1. Financial assets			
a. Cash and cash equivalents	4	11.5	8.3
b. Receivables			
- Trade receivables		-	-
c. Investments	5	6,908.7	6,985.5
d. Loans	6	491.1	-
e. Other financial assets	7	221.7	392.3
2. Non-financial assets			
a. Current tax assets (net)	8	75.2	38.5
b. Deferred tax assets (net)	31	84.7	162.3
c. Property, plant and equipment	9	0.3	0.5
d. Right of use asset	10	48.7	56.5
e. Intangible assets under development		-	-
f. Other intangible assets	9	0.2	0.4
g. Other non-financial assets	11	1.3	0.7
TOTAL		7,843.4	7,645.0
Liabilities and Equity			
Liabilities			
1. Financial liabilities			
a. Payables			
- 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		-	-
b. Lease liabilities	10	56.0	62.3
c. Other financial liabilities	12	39.2	50.2
2. Non financial liabilities			
a. Provisions	13	8.9	13.6
b. Other non-financial liabilities	14	3.4	3.4
		107.5	129.5
Equity			
a. Equity share capital	15	1,300.0	1,300.0
b. Other equity	16	6,435.9	6,215.5
		7,735.9	7,515.5
TOTAL		7,843.4	7,645.0
Summary of significant accounting policies	3		

The accompanying notes form an integral part of the financial statements.
This is the balance sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

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Sharad Agarwal
Partner
Membership No.: 118522
Place: Mumbai
Date: June 22, 2022

For and on behalf of the Board of Directors of
Nomura Capital (India) Private Limited

Ambrish
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by Ambrish Singh
Date: 2022.06.22
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Ambrish Singh
Director
DIN: 09336231
Date: June 22, 2022

VIPUL
JAMNADAS
CHATWANI

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Vipul Chatwani
Director
DIN: 00337576

NOMURA CAPITAL (INDIA) PRIVATE LIMITED

Statement of profit and loss for the year ended March 31, 2022

	Note	Year ended March 31, 2022 In ₹ million	Year ended March 31, 2021 In ₹ million
Revenue from operations			
i. Interest income	17	458.6	517.2
ii. Net gain on fair value changes	18	31.3	486.7
iii. Other income	19	34.1	44.1
Total		524.0	1,048.0
Expenses			
i. Finance costs	20	4.5	5.0
ii. Fees and commission expense	21	0.6	1.8
iii. Impairment on financial instruments	22	23.9	-
iv. Employee benefits expenses	23	96.3	92.4
v. Depreciation, amortization and impairment	24	8.2	8.0
vi. Others expenses	25	91.8	69.9
Total		225.3	177.1
Profit before tax		298.7	870.9
Tax Expense:			
i. Current Tax	31	-	136.0
ii. Deferred Tax	31	11.8	84.6
iii. Tax expense for prior years (net)	31	1.3	(1.4)
Total		79.1	219.2
Profit after taxes		219.6	651.7
Other comprehensive income			
i. Items that will not be reclassified to profit or loss			
(a) Remeasurements gain/(loss) of the defined benefit plans		(0.9)	0.0*
ii. Income tax relating to items that will not be reclassified to profit or loss		0.2	0.0*
Total		(0.7)	0.0*
Total comprehensive income for the year		218.9	651.7
Earnings per equity share			
Basic (₹)	32	1.69	5.01
Diluted (₹)	32	1.69	5.01
Summary of significant accounting policies	3		

*Below the rounding off norms adopted by the Company.

The accompanying notes form an integral part of the financial statements.
This is the statement of profit and loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SHARAD
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Sharad Agarwal
Partner
Membership No.: 118522
Place: Mumbai
Date: June 22, 2022

For and on behalf of the Board of Directors of
Nomura Capital (India) Private Limited

Ambrish
h Singh
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by Ambrish Singh
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Ambrish Singh
Director
DIN: 09336231
Date: June 22, 2022

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Vipul Chatwani
Director
DIN: 00337576

NOMURA CAPITAL (INDIA) PRIVATE LIMITED

Statement of cash flows for the year ended March 31, 2022

	Year ended March 31, 2022 In ₹ million	Year ended March 31, 2021 In ₹ million
Cash flow from operating activities		
Net profit before taxation	298.7	870.9
Adjustments for:		
Amortisation on intangible asset	0.2	0.1
Depreciation on property, plant & equipments	0.2	0.1
Depreciation on right of use asset	7.8	7.8
Provision for doubtful debts	(11.3)	11.3
Provision created on good and service tax asset	3.2	0.7
Interest on lease liabilities	4.5	5.0
Unrealised (profit)/loss on corporate bonds	(492.7)	(331.4)
Impairment on financial instruments [measured at amortised cost]	23.9	(19.9)
Recognition of stock appreciation right payments to employees	1.5	0.5
Interest u/s 234C of Income Tax Act, 1961	1.1	0.7
Actuarial gain/(loss) on defined benefit plans	(0.9)	0.0*
Operating profit / (loss) before working capital changes	(163.8)	545.8
Changes in working capital :		
Decrease / (Increase) in trade receivables	-	60.0
Decrease / (Increase) in investments	569.5	(369.4)
(Increase) / Decrease in loans	(515.0)	-
Decrease / (Increase) in other financial assets	181.9	(134.0)
(Increase) / Decrease in other non-financial assets	(3.8)	(0.7)
(Decrease) / Increase in other financial liabilities	(12.5)	29.3
(Decrease) / Increase in provisions	(4.7)	1.2
(Decrease) / Increase in other non-financial liabilities	(0.0)	0.8
Cash generated from operations	51.6	133.0
Payment of taxes (net of refunds)	(37.6)	(131.7)
Net cash inflow from operating activities (A)	14.0	1.3
Cash flow from investing activities		
Sale / (Purchase) of property, plant and equipment	-	(0.4)
Sale / (Purchase) of intangible assets	-	(0.4)
Net cash outflow from investing activities (B)	-	(0.8)
Cash flow from financing activities		
Principal element of lease payment	(10.8)	(10.8)
Net cash outflow from financing activities (C)	(10.8)	(10.8)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	3.2	(10.3)
Cash and cash equivalents at the beginning of the year	8.3	18.6
Cash and cash equivalents at the end of the year	11.5	8.3
Non-cash investing activities		
Acquisition of right of use asset	-	-
Cash and cash equivalents comprises of:		
Balances in Bank	11.5	8.3

*Below the rounding off norms adopted by the Company.

The accompanying notes form an integral part of the financial statements.
This is the statement of cash flows referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SHARAD
AGARWAL

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Date: 2022.06.22
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Sharad Agarwal
Partner
Membership No.: 118522
Place: Mumbai
Date: June 22, 2022

For and on behalf of the Board of Directors of
Nomura Capital (India) Private Limited

Ambrish
h Singh

Digitally signed
by Ambrish Singh
Date: 2022.06.22
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Ambrish Singh
Director
DIN: 09336231
Date: June 22, 2022

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Vipul Chatwani
Director
DIN: 00337576

NOMURA CAPITAL (INDIA) PRIVATE LIMITED

Statement of changes in equity for the year ended March 31, 2022

a. Equity share capital

	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	In ₹ million	No. of Shares	In ₹ million
Balance at the beginning of the year	130,000,000	1,300.0	130,000,000	1,300.0
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	130,000,000	1,300.0	130,000,000	1,300.0

b. Other equity

Particulars	Reserves and surplus			Others	Total
	Securities premium	Statutory reserve	Retained earnings	Contribution from ultimate parent - Stock appreciation rights reserve	
Balance at April 01, 2020	3,247.9	463.3	1,843.2	8.9	5,563.3
Profit for the year	-	-	651.7	-	651.7
Other comprehensive income	-	-	-	-	-
Transfer (from)/to statutory reserve	-	130.3	(130.3)	-	0.0
Stock appreciation rights expense	-	-	-	0.5	0.5
Balance at March 31, 2021	3,247.9	593.6	2,364.6	9.4	6,215.5
Profit for the year	-	-	219.6	-	219.6
Other comprehensive income	-	-	(0.7)	-	(0.7)
Transfer (from)/to statutory reserve	-	43.9	(43.9)	-	-
Stock appreciation rights expense	-	-	-	1.5	1.5
Balance at March 31, 2022	3,247.9	637.5	2,539.6	10.9	6,435.9

The accompanying notes forms an integral part of financial statements.

This is the statement of changes in equity referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SHARAD AGARWAL
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Date: 2022.06.22 22:18:39 +05'30'

Sharad Agarwal
Partner
Membership No.: 118522
Place: Mumbai
Date: June 22, 2022

For and on behalf of the Board of Directors of
Nomura Capital (India) Private Limited

Ambrish Singh
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Date: 2022.06.22 21:32:48 +05'30'

Ambrish Singh
Director
DIN: 09336231
Date: June 22, 2022

VIPUL JAMNADAS CHATWANI
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Vipul Chatwani
Director
DIN: 00337576

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

1. Corporate Information

Nomura Capital (India) Private Limited (the "Company") is a company domiciled in India with its registered office situated at Ceejay House, Level 11, Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

The Company was incorporated on August 04, 2009. The Company is a subsidiary of Nomura Asia Investment (Fixed Income) Pte. Ltd., a Company incorporated in Singapore.

The Company received the Certificate of Registration on April 28, 2010 from Department of Non-banking Supervision ("DNBS") of the Reserve Bank of India ("RBI") to commence the business of non-banking financial institution.

The Company is primarily engaged in lending and investing activities.

The financial statements for the year ended March 31, 2022 were approved by the Company's Board of Directors on June 22, 2022.

2. Basis of preparation

2.1 Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Company is covered in the definition of Non-Banking Financial Company ("NBFC") as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2018, the Company presents its balance sheet in the order of liquidity. This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 41.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements

2.2 Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities - measured at fair value;
- defined benefit plans assets - measured at fair value and
- share-based payments - measured at fair value

2.3 Use of judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities and disclosures of contingent assets and liabilities as on the date of the financial statements and the income and expense for the reporting period. The actual results could differ based on these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Certain of the Company's accounting policies require critical accounting estimates that involve subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. The policies that involve critical accounting estimates include fair valuation of financial instruments, impairment of non-financial assets and deferred tax. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

Critical estimates and judgments made under Ind AS are:

- a. Business model assessment and fair value of financial instruments – refer note 26.
- b. Estimation of expected credit losses – refer note 27 ii.
- c. Estimation of defined benefits obligation – refer note 29.
- d. Estimation of current tax expense and current tax payable – refer note 31.
- e. Estimation of deferred tax assets – refer note 31.

3. Significant Accounting Policies

3.1 Foreign currency translations

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in Indian rupee (“₹”), which is Company's functional and presentation currency. Except as otherwise indicated, financial statements presented in Indian rupee has been rounded to the nearest million with one decimal.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit and Loss.

All foreign exchange gains and losses are presented in the Statement of Profit and Loss.

3.2 Income taxes

Tax expense comprises current income tax and deferred income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the period.

Deferred income tax is measured based on the tax rates and the tax regulations enacted or substantively enacted at the balance sheet date. Deferred income tax assets are recognised only to the extent that there are sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realised.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to offset current tax assets with liabilities and when deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income ("OCI") or directly in equity. In this case, tax is also recognised in OCI or directly in equity, respectively

3.3 Goods and Service tax ("GST") on acquisition of assets and services

Expenses and assets are recognised net of the GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payable in the balance sheet.

3.4 Leases

Nomura Financial Advisory and Securities (India) Private Limited ("NFASI"), the Company's group company, has entered into lease agreement for office space. Of this, some area is occupied by the other group company i.e. Nomura Fixed Income Securities Private Limited ("NFIS") and the Company.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

Leases where the Company is lessee:

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Contracts may contain both lease and non-lease components. The Company will allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate, for which the company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- a. fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- b. payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate ("IBR") is used. IBR is the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company, where possible, uses recent third-party financing received by the lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Right-of-use assets are measured at cost comprising the following:

- a. the amount of the initial measurement of lease liability,
- b. any lease payments made at or before the commencement date less any lease incentives received,
- c. any initial direct costs, and
- d. restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

3.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand balances and short term deposits with other banks and other short-term, highly liquid investments with original maturities of three months or less which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.6 Financial Instruments

a. Financial assets

i. Initial recognition and measurement

Purchase and sale of financial assets are recognised on trade date, the date on which the Company commits to purchase or sell a financial asset.

At initial recognition, the Company measures a financial asset at its fair value.

ii. Subsequent measurement

Subsequent measurement of financial assets depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

There are three measurement categories into which the Company classifies its financial asset - debt instruments:

• **Financial assets at amortised costs**

Financial assets are classified under this category if the asset fulfills both the below mentioned conditions:

- a. The assets are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Any gain or loss arising on de-recognition is recognised directly in Statement of Profit and Loss. Impairment losses are presented as separate line item in the Statement of Profit and Loss.

• **Financial assets at fair value through other comprehensive income ("FVOCI")**

Financial asset is measured at FVOCI when both of the following conditions are met:

- a. The instrument is held within a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets;
- b. The contractual terms of the financial asset meet the SPPI test.

When the financial asset is de-recognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss. Interest income from these financial assets is included using the effective interest rate method ("EIR").

- **Financial Assets at fair value through profit or loss ("FVTPL")**
Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in Statement of Profit and Loss and presented net within Net gain/loss on fair value changes in the period in which it arises.

Transaction costs of financial assets are expensed in Statement Profit and Loss.

iii. Impairment of financial assets

- **Overview of Expected Credit Loss ("ECL") principles**
The Company records allowance for expected credit losses for all loans, other debt financial assets, not measured at FVTPL, in this section all referred to as "financial instruments". Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on 12 months' expected credit loss; unless there has been significant increase in credit risk since origination, in which case, the allowance is based on the lifetime expected credit loss.

Lifetime expected credit losses represent expected credit losses that would result from all possible default events over the expected life of the financial asset whereas 12 month expected credit losses are those life expected credit losses expected to occur within 12 months of balance sheet date.

Both lifetime ECLs and 12-month ECLs are calculated on an individual basis depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above, the Company categories its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1 – Performing financial assets for which there has been no significant deterioration in credit quality since initial recognition;

Stage 2 – Underperforming financial assets for which there has been a significant deterioration in credit quality since initial recognition but which are not credit-impaired; and

Stage 3 – Non-performing financial assets for which there has been a significant deterioration in credit quality since initial recognition and which have become credit-impaired.

For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the EIR to the amortised cost (net of provision) rather than the gross carrying amount.

If an event (for e.g. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

In case internal Nomura credit rating is not available for stage 1 assets, which are performing, then lowest rating of performing assets shall be used for the purposes of ECL calculation on a conservative basis.

- **Credit-impaired financial asset**

A financial asset is considered credit impaired when an obligor fails to make payments in full and on time of any financial obligations, markedly disadvantageous modification to a contractual term compared with the existing obligation, bankruptcy filings, administration, receivership, liquidation or other winding-up or cessation of business of an obligor or other similar situations.

At each reporting date, the Company assesses whether financial instruments are credit-impaired.

- **ECL methodology**

The measurement of expected credit losses through the general ECL impairment model is typically determined using loss rate models or discounted cash flow models depending on the relevant staging of the financial instrument.

A loss rate model measures ECL for an individual or portfolio of similar financial instruments through development of loss rates calculated through an estimate of the probability of default (“PD”) of the obligor and loss given default (“LGD”) which is applied to the expected credit exposure of the obligor at default (“CEAD”).

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

- **Forward looking estimate**

While estimating the ECL, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses the relationship between key economic trends with the estimate of PD.

- **Probability of default**

The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 27.

- **Loss given default**

Loss given default inputs are determined by class of financial instrument based on historical experience of loss and recovery rates for similar financial instruments and other relevant industry data. Where appropriate, LGD inputs are adjusted to reflect the impact of collateral and other integral credit enhancements.

- **Exposure at default**

The exposure at default is an estimate of the exposure at a future default date.

- **Write off of loan assets**

Credit-impaired financial asset individually assessed for impairment are typically written-off when further cash flows are deemed uncollectible and when all commercially reasonable means of recovering outstanding principle and interest balances have been exhausted. Such a determination is based on factors such as the occurrence of significant changes in the obligor's financial position such that the obligor can no longer pay the obligation, or that the proceeds from collateral will not be sufficient to pay amounts due.

- The provision calculated using the ECL model is compared with the prudential guidelines issued by RBI and higher of the two is provided in the books of account.

iv. Derecognition of financial assets

A financial asset is de recognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset; or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

The difference between the carrying value of the original financial asset and the consideration is recognised in Statement of Profit and Loss.

b. Financial liabilities

a. Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

Trade payables amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. They are recognised initially at their fair value.

b. Subsequent measurement

The subsequent measurement of financial liabilities depends on their classifications as follows:

• **Financial liabilities at fair value through profit or loss**

Liabilities classified under fair value through profit or loss includes financial liabilities held-for-trading and financial liabilities designated at fair value through Statement of Profit and Loss.

Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

Subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in Statement of Profit and Loss.

• **Financial liabilities at amortised cost**

Financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process. Trade and other payables measured at amortised cost using the EIR method.

c. **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference between the carrying value of the original financial liability and the consideration is recognised in Statement of Profit and Loss.

3.7 Fair value measurement

Fair value is the price that would be received, to sell an asset, or paid, to transfer a liability, in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell an asset or transfer a liability would take place either:

- a) In the principal market for an asset or liability or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

Level 1: The financial instrument which is measured at a quoted price. Also includes application money pending allotment on the reporting date.

Level 2: The financial instrument that is not quoted in an active market. Such instrument is measured using various valuation techniques. The inputs for these valuation techniques are:

- a) Quoted price of similar instrument in an active market;
- b) Quoted price of identical or similar instrument in a market that is not active;
- c) Inputs other than quoted price that are observable for an instrument (e.g. yield curves, credit spreads, implied volatilities, etc.);
- d) Market-corroborated inputs.

Level 3: The financial instrument for which one or more significant inputs are not based on observable market data.

3.8 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realised the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

3.9 Derivative financial instruments

A derivative is a financial instrument or other contract with all three of the following characteristics:

- a. Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- b. It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- c. It is settled at a future date.

3.10 Property, plant and equipment

a. Tangible assets

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located, after deducting trade discounts and rebates.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Company.

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Notes to Financial Statements for the year ended March 31, 2022

iii. Depreciation

Depreciation on property, plant and equipment is calculated on a straight line basis using the rates arrived at, based on the useful lives estimated by the management and which is in line with the rates indicated under Schedule II of the Companies Act, 2013. Depreciation is provided from the month of acquisition of property, plant and equipment.

The management has used the following estimates of useful life to provide depreciation on its property, plant and equipment:

Asset type	Useful life estimated by management
Office Equipment*	5 years
Computer and Allied Equipment*	3 years

*The useful life of the assets are based on historical experience and evaluation of the Company, which is different from the useful life as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on property, plant and equipment, individually costing less than ₹25,000 is fully provided in the year of acquisition, as per management estimate.

b. Intangible assets

i. Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

iii. Amortisation

Intangible assets are amortised on a straight line basis over the estimated useful economic life. The estimated useful lives are as follows:

Asset	Useful life (years)
Software	3 years

The amortisation period and the amortisation method are reviewed at each financial yearend. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

3.11 Revenue Recognition

(i) Trading gains and losses (as per Ind AS 109):

Trading income includes all gains and losses from changes in fair value for financial assets and financial liabilities held for trading. Gains and losses on sale of securities are recognized on trade date basis.

(ii) Interest income on investments (as per Ind AS 109):

Interest incomes of investments classified as FVTPL are recognised on EIR basis. It is recognized on accrual basis and based on time apportioned, taking into account the amount outstanding and the rate applicable.

(iii) Interest income on loans and advances (as per Ind AS 109):

For all financial instruments measured at amortised cost, interest income or expense is recorded using the EIR, which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

EIR in case of a financial asset is computed:

- a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

Including all fees received between parties to the contract that are an integral part of the EIR method, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows are recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the EIR method to the net amortised cost (net of provision) of the financial asset.

3.12 Employee benefits

i. Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified short-term employee benefits and they are recognised in the year in which the employee renders the related services. For the amount expected to be paid, the Company recognises an undiscounted liability if they have a present legal or constructive obligation to pay the amount as a result of past service provided by employees, and the obligation can be estimated reliably.

ii. Defined benefit plan

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in the other comprehensive income. They are included in the retained earnings under Other Equity on the balance sheet.

iii. Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered Provident Fund Scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions are due. The Company has no other obligations other than the contribution payable to the respective provident funds.

iv. Other employee benefits plan

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognizes the charge to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on valuation by an independent actuary. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit and leave expected to be carried forward beyond 12 months, as long term employee benefit.

v. Share based payments

Cash benefit plans

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period the employees unconditionally become entitled to payment. The liability is measured at the end of each reporting date up to and including settlement date, with changes in the fair value recognised as salaries, wages and bonus in Statement of Profit and Loss.

3.13 Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed and disclosed as contingent liability.

3.14 Segment Reporting

i. Basis for segmentation

An operating segment is a component of the company that engages in business activities from which it may earn and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components and for which discrete financial information is available. Such decision is taken by Chief Operating Decision Maker (CODM).

ii. Business segment

The Company's operations fall under single business segment. Further, all the transactions and the assets of the Company are recorded and located in India. Since the Company's current business activity primarily falls within a single business and geographical segment, no additional disclosure is to be provided under Ind AS 108 – Segment Reporting, other than those already provided in the financial statements.

iii. Geographical segment

The Company's business is primarily within India. Hence no separate geographical disclosure is considered necessary.

3.15 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3.16 Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity.

3.17 Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
4. Cash and cash equivalents		
Balances with banks	11.5	8.3
	11.5	8.3

5. Investments

		In ₹ million	
		Amortised Cost	At fair value Through profit and loss
As at March 31, 2022			
Debt securities - Corporate bonds		-	6,183.8
Mutual Funds		-	724.9
	A	-	6,908.7
i. Investments in India		-	6,908.7
ii. Investments outside India		-	-
	B	-	6,908.7
Less : Impairment loss allowance	C	-	-
	A-C	-	6,908.7
As at March 31, 2021			
Debt securities - Corporate bonds		-	6,873.6
Mutual Funds		-	111.9
	A	-	6,985.5
i. Investments in India		-	6,985.5
ii. Investments outside India		-	-
	B	-	6,985.5
Less : Impairment loss allowance	C	-	-
	A-C	-	6,985.5

6. Loans (At amortized cost)

Term Loans		515.0	-
Less : Impairment loss allowance		(23.9)	-
Receivable considered good - unsecured		-	-
		491.1	-
i. Secured by tangible assets*		515.0	-
ii. Secured by intangible assets		-	-
iii. Covered by banks/government guarantees		-	-
iv. Unsecured		-	-
		515.0	-
i. Loans in India			
Edelweiss Alternative Asset Advisors Limited		515.0	-
Less: Impairment loss allowance		(23.9)	-
	A	491.1	-
ii. Loans outside India		-	-
Less : Impairment loss allowance		-	-
	B	-	-
	A+B	491.1	-

*Secured against units of Non-Convertible Debentures, Pass through Certificates and units of Edelweiss Infrastructure Yield Plus Alternate Investment Fund (market value) of ₹1,054.1 million as at March 31, 2022. (As at March 31, 2021 Nil)

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
7. Other financial assets		
<u>Measured at fair value through profit and loss</u>		
i. Application money for Convertible Debentures	-	72.1
<u>Measured at amortised cost</u>		
i. Interest accrued on investments	194.5	327.9
Less: Provision for doubtful interest accrued	-	(11.3)
ii. Receivable from group companies	27.2	3.6
	221.7	392.3
8. Current tax assets (net)		
Advance tax (net of provision for income tax March 31, 2022 ₹ 1,538.8 million, March 31, 2021 ₹ 1,536.3million)	75.2	38.5
	75.2	38.5

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Notes to accounts for the year ended March 31, 2022

9. Property, plant and equipment and other intangible assets

Particulars	Gross block				Opening Balance as at April 1, 2021	Depreciation/Amortisation			Net carrying amount as at March 31, 2022
	As at April 01, 2021	Additions	Disposals	As at March 31, 2022		For the year	Disposals	Closing Balance as at March 31, 2022	
	a. Property, plant and equipment								
Computer and allied equipments	0.6	-	-	0.6	0.1	0.2	-	0.3	0.3
Total	0.6	-	-	0.6	0.1	0.2	-	0.3	0.3
a. Other intangible assets									
Computer software	1.0	-	-	1.0	0.6	0.2	-	0.8	0.2
Total	1.0	-	-	1.0	0.6	0.2	-	0.8	0.2

Particulars	Gross block				Opening Balance as at April 1, 2020	Depreciation/Amortisation			Net carrying amount as at March 31, 2021
	As at April 1, 2020	Additions	Disposals	As at March 31, 2021		For the year	Disposals	Closing Balance as at March 31, 2021	
	a. Property, plant and equipment								
Computer and allied equipments	0.2	0.4	-	0.6	-	0.1	-	0.1	0.5
Total	0.2	0.4	-	0.6	-	0.1	-	0.1	0.5
a. Other intangible assets									
Computer software	0.6	0.4	-	1.0	0.5	0.1	-	0.6	0.4
Total	0.6	0.4	-	1.0	0.5	0.1	-	0.6	0.4

NOMURA CAPITAL (INDIA) PRIVATE LIMITED

Notes to accounts for the year ended March 31, 2022

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
10. Leases		
Right of use assets: Building	56.5	64.3
Add: Addition during the year	-	-
Less: Depreciation for the year	(7.8)	(7.8)
	48.7	56.5
Lease liabilities	62.3	68.1
Add: Interest for the year	4.5	5.0
Less: Rent paid during the year	(10.8)	(10.8)
	56.0	62.3
11. Other non-financial assets		
Prepaid expenses	1.3	0.7
Goods and service tax receivable	12.9	9.7
Less : Provision on Goods and service tax receivable	(12.9)	(9.7)
	1.3	0.7
12. Other financial liabilities		
Employee benefits payable	33.4	41.5
Other payables	5.8	8.7
	39.2	50.2
13. Provisions		
Provision for gratuity (Refer note 29)	3.7	5.7
Provision for compensated absences	5.2	7.9
	8.9	13.6
14. Other non-financial liabilities		
Statutory dues payable	3.4	3.4
	3.4	3.4

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Notes to accounts for the year ended March 31, 2022

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
15. Share capital		
Authorised :		
130,000,000 (as at March 31, 2021 130,000,000) equity shares of ₹ 10/- each	1,300.0	1,300.0
Issued, subscribed and paid up :		
130,000,000 (as at March 31, 2021 130,000,000) equity shares of ₹ 10/- each	1,300.0	1,300.0

A. Reconciliation of the shares outstanding at the beginning and at the end of the year :

	March 31, 2022*		March 31, 2021*	
	No.	In ₹ million	No.	In ₹ million
Balance as at the beginning of the year	13,00,00,000.0	1,300.0	13,00,00,000.0	1,300.0
Add : Issued during the year	-	-	-	-
Balance as at the end of the year	13,00,00,000.0	1,300.0	13,00,00,000.0	1,300.0

* 1 equity share held by Nomura Asia Pacific Holdings Co. Ltd. in trust for Nomura Asia Investments (Fixed Income) Pte. Ltd.

B. Rights, preferences and restrictions attached to shares :

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held.

C. Shares held by holding company :

	March 31, 2022*		March 31, 2021*	
	No.	%	No.	%
Nomura Asia Investments (Fixed Income) Pte. Ltd., the holding company	13,00,00,000.0	100.0	13,00,00,000.0	100.0

* 1 equity share held by Nomura Asia Pacific Holdings Co. Ltd. in trust for Nomura Asia Investments (Fixed Income) Pte. Ltd.

D. Shares held by promoter :

	March 31, 2022*		March 31, 2021*	
	No.	%	No.	%
Nomura Asia Investments (Fixed Income) Pte. Ltd., the holding company	13,00,00,000.0	100.0	13,00,00,000.0	100.0

* 1 equity share held by Nomura Asia Pacific Holdings Co. Ltd. in trust for Nomura Asia Investments (Fixed Income) Pte. Ltd.

Note: There are no changes to the promoter holding during the year

E. Details of shareholders holding more than 5% shares in the company.

	March 31, 2022*		March 31, 2021*	
	No.	%	No.	%
Nomura Asia Investments (Fixed Income) Pte. Ltd., the holding company	13,00,00,000.0	100.0	13,00,00,000.0	100.0

* 1 equity share held by Nomura Asia Pacific Holdings Co. Ltd. in trust for Nomura Asia Investments (Fixed Income) Pte. Ltd.

		As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
16. Other equity			
a. Securities premium			
Opening balance		3,247.9	3,247.9
Additions during the year		-	-
Closing balance	A	3,247.9	3,247.9
b. Stock appreciation rights reserve			
Opening balance		9.4	8.9
Additions during the year		1.5	0.5
Closing balance	B	10.9	9.4
c. Statutory reserve			
Opening balance		593.6	463.3
Additions during the year		43.9	130.3
Closing balance	C	637.5	593.6
d. Retained earnings			
Opening balance		2,364.6	1,843.2
Total comprehensive income for the year		218.9	651.7
Transfer to statutory reserve		(43.9)	(130.3)
Closing balance	D	2,539.6	2,364.6
	A+B+C+D	6,436.9	6,215.5

Nature and purpose of reserves

a. Securities premium

Securities premium reserve is used to record premium received on issue of shares. The reserves can be utilised only for limited purposes, in accordance with the provisions of the Companies Act, 2013.

b. Stock appreciation rights reserve

Stock appreciation rights reserve is stock appreciation rights allotted to certain categories of employees of the company by Nomura Holdings Inc. (ultimate parent).

c. Statutory reserve

Statutory reserve is reserve maintained under section 45-IC of the Reserve Bank of India Act, 1934.

17. Interest income

	Year ended March 31, 2022		(In ₹ million)
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total
	Interest on loans	12.5	-
Interest income from investments	-	446.1	446.1
	12.5	446.1	458.6

	Year ended March 31, 2021		(In ₹ million)
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total
	Interest income from investments	35.1	482.1
	35.1	482.1	517.2

	Year ended March 31, 2022	Year ended March 31, 2021
	In ₹ million	In ₹ million
18. Net gain/(loss) on fair value changes		
<u>Net gain/ (loss) on financial instruments at fair value through profit or loss</u>		
i. On trading portfolio		
- Investments	31.3	486.7
	A	31.3
Others	B	-
	A+B	31.3
<u>Fair value changes</u>		
i. Realised	(461.4)	155.3
ii. Unrealised	492.7	331.4
	31.3	486.7

19. Other Income

i. Recharge to group companies	34.1	23.5
ii. Reversal of impairment on financial instruments	-	19.9
iii. Others	0.0*	0.7
	34.1	44.1

*Below the rounding off norms adopted by the Company.

20. Finance cost [measured at amortised cost]

i. Interest on lease liabilities	4.5	5.0
	4.5	5.0

21. Fees and commission expense

i. Brokerage and stamp duty	0.6	1.7
ii. Custodian, depository and clearing charges	0.0*	0.1
	0.6	1.8

*Below the rounding off norms adopted by the Company.

	Year ended March 31, 2022 In ₹ million	Year ended March 31, 2021 In ₹ million
22. Impairment on financial instruments [measured at amortised cost]		
i. Loans	23.9	-
	23.9	-
23. Employee benefits expense		
i. Salaries and wages	91.1	87.8
ii. Contribution to provident and other funds	3.6	2.7
iii. Stock appreciation rights payment to employees (Refer note 30)	1.5	0.5
iv. Staff welfare expenses	1.0	0.8
v. Gratuity (Refer note 29)	(0.9)	0.6
	96.3	92.4
24. Depreciation, amortization and impairment		
i. Depreciation on property, plant & equipments	0.2	0.1
ii. Depreciation on right to use assets (Refer note 10)	7.8	7.8
iii. Amortisation of intangible assets	0.2	0.1
	8.2	8.0
25. Other expenses		
i. Rent, taxes and energy costs	1.5	1.9
ii. Repairs and maintenance	4.6	3.4
iii. Auditor's fees and expenses*	2.7	2.2
iv. Legal and professional charges	35.7	19.5
v. Provision for doubtful debts	(11.3)	11.3
vi. Bad debts written off	11.3	-
vii. Corporate social responsibility (Refer note 47)	7.7	5.1
viii. Support cost recharge	28.7	21.6
ix. Market data expense	6.4	3.4
x. Provision on GST Asset	3.2	0.2
xi. Other expenditure	1.4	1.3
	91.8	69.9
* Auditor's fees and expenses comprise for :		
a. Statutory audit	1.9	1.8
b. Tax audit	0.2	0.2
c. Other services	0.5	0.1
d. Reimbursement of expenses	0.1	0.1
	2.7	2.2

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Notes to Financial Statements for the year ended March 31, 2022

26. Fair value of financial instruments

1. Fair valuation

Fair value is the price that would be received, to sell an asset, or paid, to transfer a liability, in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell an asset or transfer a liability would take place either:

- a) In the principal market for an asset or liability or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

Level 1: The financial instrument which is measured at a quoted price. This category includes corporate bonds quoted by Fixed Income Money Market and Derivatives Association of India ("FIMMDA") and application money pending allotment at the reporting date.

Level 2: The financial instrument that is not quoted in an active market. Such instrument is measured using various valuation techniques. The inputs for these valuation techniques are : a) quoted price of similar instrument in an active market, b) quoted price of identical or similar instrument in a market that is not active, c) inputs other than quoted price that are observable for an instrument (e.g. yield curves, credit spreads, implied volatilities, etc.), d) market-corroborated inputs. This category includes corporate bonds not quoted by FIMMDA.

Level 3: The financial instrument for which one or more significant inputs are not based on observable market data.

2. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following tables show the classification of the financial assets and liabilities:

As at March 31, 2022		In ₹ million			
Particulars	Carrying amount				
	FVTPL	FVTOCI	Amortised Cost	Total	
Financial assets					
Cash and cash equivalents	-	-	11.5	11.5	
Receivables					
- Trade receivables	-	-	-	-	
Investments	6,908.7	-	-	6,908.7	
Loans	-	-	491.1	491.1	
Other financial assets	-	-	221.7	221.7	
	6,908.7	-	724.3	7,633.0	
Financial liabilities					
Lease liability	-	-	56.0	56.0	
Other financial liabilities	-	-	39.2	39.2	
	-	-	95.2	95.2	

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
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As at March 31, 2021				In ₹ million
Particulars	Carrying amount			Total
	FVTPL	FVTOCI	Amortised Cost	
Financial assets				
Cash and cash equivalents	-	-	8.3	8.3
Receivables	-			
- Trade receivables	-	-	-	-
Investments	6,985.5	-	-	6,985.5
Other financial assets	72.1	-	320.2	392.3
	7,057.6	-	328.5	7,386.1
Financial liabilities				
Lease liability	-	-	62.3	62.3
Other financial liabilities	-	-	50.2	50.2
	-	-	112.5	112.5

The following tables show the fair value hierarchy of the financial assets and liabilities measured at fair value.

As at March 31, 2022				In ₹ million
Particulars	Fair values			Total
	Level 1	Level 2	Level 3	
Financial assets				
Cash and cash equivalents	-	-	-	-
Receivables	-	-	-	-
- Trade receivables	-	-	-	-
Loans	-	-	-	-
Investments	5,323.4	1,335.3	250.0	6,908.7
Other financial assets	-	-	-	-
	5,323.4	1,335.3	250.0	6,908.7
Financial liabilities				
Lease liability	-	-	-	-
Other financial liabilities	-	-	-	-
	-	-	-	-

As at March 31, 2021				In ₹ million
Particulars	Fair values			Total
	Level 1	Level 2	Level 3	
Financial assets				
Cash and cash equivalents	-	-	-	-
Receivables				
- Trade receivables	-	-	-	-
Investments	3,848.4	2,937.1	200.0	6,985.5
Other financial assets	72.1	-	-	72.1
	3,920.5	2,937.1	200.0	7,057.6
Financial liabilities				
Lease liability	-	-	-	-
Other financial liabilities	-	-	-	-
	-	-	-	-

There has been no transfer of above financial asset/liability from level 1 to level 2 and from level 2 to level 1.

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Notes to Financial Statements for the year ended March 31, 2022

B. Measurement of fair values

Corporate bonds

Quoted corporate bonds are fair valued using weighted average market price published by FIMMDA which aggregate the price at which the corporate bonds have traded on the recognised exchanges (with minimum ₹ 50 million turnover and 1 trade) over the last 15 calendar days. If the corporate bonds have not traded on any recognised exchange over the last 15 calendar days, then the price is derived using a financial calculator published by FIMMDA.

The following tables show the valuation techniques used in measuring Level 2 fair values, for financial instrument measured at fair value in the statement of financial position:

Financial instruments measured at fair value:

As at March 31, 2022			In ₹ million
Type	Fair Value	Valuation technique	Significant observable inputs
Corporate bonds	1,335.3	Discounted cash flow	Rating based spread

As at March 31, 2021			In ₹ million
Type	Fair Value	Valuation technique	Significant observable inputs
Corporate bonds	2,937.1	Discounted cash flow	Rating based spread

C. Movements in Level 3 financial instruments measured at fair value

The following table show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value.

As at March 31, 2022					In ₹ million
Particulars	As at April 1, 2021	Allotment/ (Redemption)	Transfer into Level 3	As at March 31, 2022	Unrealised gains and (losses)
Investments					
Corporate bonds	200.0	(200.0)	-	-	-
Compulsory Convertible Debentures	-	250.0	-	250.0	-
Total	200.0	50.0	-	250.0	-

As at March 31, 2021				In ₹ million	
Particulars	As at April 1, 2020	Purchase/ (Sale)	Transfer into Level 3	As at March 31, 2021	Unrealised gains and (losses)
Investments					
Corporate bonds	390.0	(150.0)	-	200.0	(40.0)
Total	390.0	(150.0)	-	200.0	(40.0)

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Notes to Financial Statements for the year ended March 31, 2022

D. Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

As at March 31, 2022, investment in unquoted Compulsorily Convertible Debentures (CCD's) are classified as level 3 asset as there are no observable inputs available to measure it. The conversion of CCD's to fully paid equity shares depend on the happening of certain events, which is uncertain as on balance sheet date, the amount of investment made represents the best estimate of the fair value.

The below table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 assets as at March 31, 2021.

In ₹ million

Particulars	Fair value of Level 3 assets	Valuation technique	Significant unobservable inputs
Investments - Corporate bonds	200.0	Discounted cash flow	a. Recovery rates b. Discount margin/spread

E. Quantitative analysis of significant unobservable input

a. Recovery rates:

Recovery rates reflect the estimated loss that the Company will suffer given expected defaults. The recovery rate is given as a percentage and reflects the opposite of loss severity (i.e. 100% recovery reflects 0% loss severity). In line with general market convention, loss severity is applied to asset-backed securities while recovery rate is more often used as pricing input for corporate or government instruments. Higher loss severity levels / lower recovery rates indicate lower expected cash flows upon the default of the instruments. Recovery rates for complex, less liquid instruments are usually unobservable and are estimated based on historical data.

b. Discount margin/spreads:

Discount margin/spreads represent the discount rates used when calculating the present value of future cash flows. In discounted cash flow models such spreads are added to the benchmark rate when discounting the future expected cash flows. Hence, these spreads reduce the net present value of an asset or increase the value of a liability. They generally reflect the premium an investor expects to achieve over the benchmark interest rate to compensate for the higher risk driven by the uncertainty of the cash flows caused by the credit quality of the asset. They can be implied from market prices and are usually unobservable for illiquid or complex instruments.

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Notes to Financial Statements for the year ended March 31, 2022

F. Sensitivity of fair value measurements to changes in unobservable market data

For sensitivity pertaining to level III asset as at March 31, 2022, kindly refer Note 26 (D).

The table below describes sensitivity pertaining to level III asset as at March 31, 2021.

The effect of changing the significant unobservable inputs to reasonable possible alternatives. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology. The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favorable/unfavorable range.

In ₹ million

Particulars	March 31, 2021	
	Favorable changes	Unfavorable changes
Investments - Corporate bonds	306.2	(200.0)
Total	306.2	(200.0)

G. Fair value of financial assets and liabilities not measured at fair value

As at March 31, 2022

In ₹ million

Particulars	Fair values			
	Carrying amount	Level 1	Level 2	Level 3
Financial assets				
Cash and cash equivalents*	11.5	-	-	-
Receivables				
- Trade receivables*	-	-	-	-
Investments	-			
Loans*	491.1	-	-	-
Other financial assets*	221.7	-	-	-
	724.3	-	-	-
Financial liabilities				
Lease liability*	56.0	-	-	-
Other financial liabilities*	39.2	-	-	-
	95.2	-	-	-

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Notes to Financial Statements for the year ended March 31, 2022

As at March 31, 2021		In ₹ million		
Particulars	Fair values			
	Carrying amount	Level 1	Level 2	Level 3
Financial assets				
Cash and cash equivalents*	8.3	-	-	-
Receivables	-	-	-	-
- Trade receivables*	-	-	-	-
Investments*	-	-	-	-
Other financial assets*	320.2	-	-	-
	328.5	-	-	-
Financial liabilities				
Lease liability*	62.3	-	-	-
Other financial liabilities*	50.2	-	-	-
	112.5	-	-	-

*Carrying value of the Company's financial assets and liabilities, which are not carried at fair value, are assumed to be their approximate fair value.

27. Financial risk management

i. Risk management framework

The Company is exposed to financial risks, including the effects of changes in interest rate risk, credit risk and liquidity risk.

Managing these financial risks forms an integral part of the Company's business. The Company's risk management framework includes a variety of controls and reporting processes. These include the parameters for the risks that the Company may undertake for various financial instruments, guidelines for accepting customers and terms under which the business is being conducted, setting up appropriate risk limits and controls and monitor risks and adherence to the set limits. Risk management processes and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company believes it has effective processes in place to identify measure, monitor and mitigate these financial risks.

The Company's Board of Directors ("Board") are responsible for oversight of risk management approach and for approving the risk strategies and principles. The Board is assisted in its oversight role by the Risk Management & Investment Committee, Credit Committee and various other corporate functions, which includes Credit and Market risk management. The oversight role includes monitoring compliance with the Company's risk management framework and reviewing its adequacy.

Internal audit also undertakes both, regular and ad hoc, review of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Credit risk is the risk of loss arising from an obligor or counterparty's default, insolvency or administrative proceeding which results in the obligor's failure to meet its contractual obligations in accordance with agreed terms. Credit risk for the Company is managed by Credit Risk Management ("CRM") function within the Risk Management Division together with Credit Committee.

Processes for managing credit risk include:

- 1) Evaluation of likelihood that counterparty defaults on its payments and obligations;
- 2) Assignment of internal ratings to all active counterparties;
- 3) Approval of extensions of credit and establishment of credit limits;
- 4) Measurement, monitoring and management of the firm's current and potential future credit exposures;

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Notes to Financial Statements for the year ended March 31, 2022

- 5) Setting credit terms in legal documentation; and
6) Use of appropriate credit risk mitigants, including netting, collateral and hedging.

I. Credit quality analysis

a. Cash and cash equivalents

Balances with bank are current account balances remaining unutilised as at the reporting date. The Company believes these assets to be of high credit quality; hence no provision for expected credit loss is made.

b. Trade Receivable

As at March 31, 2022, the Company does not have any trade receivable. (Previous year: NIL)

c. Loans

Loans made by the Company consist of corporate loans.

As at March 31, 2022, the Company has ₹ 515.0 million outstanding. (Previous year: NIL)

Particulars	In ₹ million	
	As at March 31, 2022	As at March 31, 2021
	12 month ECL (Stage 1)	12 month ECL (Stage 1)
Loans/Long term investments	-	-
Rated A and above	-	-
Rated BBB	-	-
Rated BB	-	-
Rated B	515.0	-
Rated CCC and below	-	-
Unrated	-	-
Less: Impairment allowance	(23.9)	-
Total	491.1	-

d. Other financial assets

Other financial assets include interest accrued on investments and amount receivable from the Company's group companies.

Previously, as at March 31, 2021 it also included share application money receivable.

The Company believes interest accrued on investments and receivable from the Company's group companies to be of high quality with low credit risk; hence no provision for expected credit loss is made.

II. Amounts arising from ECL

a. Inputs, assumptions and techniques used for estimating impairment

Inputs and assumptions considered in ECL Model

The measurement of ECL through the general impairment model is typically determined within the Company using loss rate models or discounted cash flow models depending on the relevant staging of the financial instrument.

A loss rate model measures ECL for an individual or portfolio of similar financial instruments through development of loss rates calculated through an estimate of the probability of default ("PD") of the obligor and loss given default ("LGD") which is applied to the expected credit exposure of the obligor at default ("CEAD").

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In order to determine whether 12 month or lifetime ECL is used, each financial asset is assessed for impairment, classified at each reporting date into one of following three stages of credit quality deterioration since the financial asset was initially recognised.

Stage 1: Performing financial assets for which there has been no significant deterioration in credit quality since initial recognition.

Stage 2: Underperforming financial assets for which there has been a significant deterioration in credit quality since initial recognition but which are not credit-impaired; and

Stage 3: Non-performing financial assets for which there has been a significant deterioration in credit quality since initial recognition and which have become credit-impaired.

The 12-month ECL is the portion of Lifetime ECL that represents the loss resulting from default events on financial assets that are possible within the 12 months after the reporting date.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

PD inputs are determined by class of financial asset and by internal Nomura credit rating applied to each financial asset. PD inputs used by the Company are sourced from industry data and validated based on historical experience.

In case internal Nomura credit rating is not available for stage 1 assets, which are performing, then lowest rating of performing assets shall be used for the purposes of ECL calculation on a conservative basis.

For Stage 1 assets, a 12 month PD is considered, for Stage 2 assets a lifetime PD is considered and Stage 3 assets 100% PD is applied.

LGD inputs are determined by class of financial asset, based on historical experience of loss and recovery rates for similar financial asset and other relevant industry data. Where appropriate, LGD inputs are adjusted to reflect the impact of collateral and other integral credit enhancements.

Estimates and forward looking techniques

The Company has applied the following estimation technique for ECL model:

- a. Through-the-cycle ("TTC") PD preparation: TTC cumulative PDs up to 5 year are prepared by referring to S&P's historic rating migration data.
- b. Scenario Point-in-time ("PIT") PD construction: PIT PDs on each scenario are constructed from TTC PDs. In the conversion from TTC PD to PIT PD, scenario credit spread provided is used to incorporate forward looking information and credit cycle. Four scenario (upside, base, moderate downside, and severe down side) are applied.
- c. Probability weighted PIT PD computation: Scenario PIT PDs are summed up weighted by a probability of each scenario happening (probability weighted PIT PDs).
- d. LGD inputs are determined by class of financial asset, based on historical experience of loss and recovery rates for similar financial asset and other relevant industry data.

Assessment of significant increase in credit risk

A financial asset that is not credit-impaired on initial recognition is initially classified into stage 1 and is subsequently continuously monitored to determine whether a significant increase in credit risk has occurred, at which point the financial asset is reclassified to stage 2.

A determination of whether a significant increase in credit risk has occurred at each reporting date will be through a comparison of Nomura internal credit rating applied to the financial instrument at initial recognition and at the reporting date.

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A financial asset will be reclassified as per the below table:

		From (Initial recognition)																			
To		AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	D
(Reporting date)		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
AAA	1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
AA+	2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
AA	3	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
AA-	4	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
A+	5	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
A	6	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
A-	7	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
BBB+	8	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
BBB	9	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
BBB-	10	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
BB+	11	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
BB	12	S2	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
BB-	13	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1
B+	14	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1
B	15	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1
B-	16	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1
CCC	17	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1
CC	18	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3
C	19	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3
D	20	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3

If there is a further deterioration in credit risk such that the financial asset becomes credit-impaired, the financial asset is then reclassified into stage 3.

Credit impaired financial asset

A financial asset is considered credit impaired when an obligor fails to make payments in full and on time of any financial obligations, markedly disadvantageous modification to a contractual term compared with the existing obligation, bankruptcy filings, administration, receivership, liquidation or other winding-up or cessation of business of an obligor or other similar situations.

Policy for write off of loan assets

Credit-impaired financial asset individually assessed for impairment are typically written-off when further cash flows are deemed uncollectible and when all commercially reasonable means of recovering outstanding principle and interest balances have been exhausted. Such a determination is based on factors such as the occurrence of significant changes in the obligor's financial position such that the obligor can no longer pay the obligation, or that the proceeds from collateral will not be sufficient to pay amounts due.

b. Loss allowances

Particulars	In ₹ million	
	2021-22	2020-21
	Loss allowance	
Loans [measured at amortised cost]		
Balance as at April 01	-	-
Net measurement of loss allowance	23.9	-
Balance as at March 31	23.9	-
Investments [measured at amortised cost]		
Balance at April 01	-	19.9
Net measurement of loss allowance	-	(19.9)
Balance ast March 31	-	-

a. Loan of ₹515.0 million is outstanding as on reporting date March 31, 2022.
 (Previous year: NIL)

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III. Disclosure pursuant to RBI/2019-20/170/DOR (NBFC).CC.PD.No.109/22.10.106/2019-20
 "Implementation of Indian Accounting Standards" dated March 13, 2020

As at March 31, 2022 In ₹ million

Asset Classification as per RBI norms	Asset classification as per IndAS 109	Gross carrying amount as per IndAS*	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between IndAS 109 provisions and IRACP norms
Performing assets						
Standard	Stage 1	515.0	23.9	491.1	2.1	21.8

As at March 31, 2021 In ₹ million

Asset Classification as per RBI norms	Asset classification as per IndAS 109	Gross carrying amount as per IndAS*	Loss allowances (Provisions) as required under ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between IndAS 109 provisions and IRACP norms
Performing assets						
Standard	Stage 1	-	-	-	-	-

- c. Offsetting
 No offsetting exists as at March 31, 2022. (Previous year: NIL)

iii. Market risk

Market risk is the risk of loss arising from fluctuations in the value of financial assets and liabilities (including off-balance sheet items) due to fluctuations in market risk factors (interest rates, prices of securities and others). Market risk primarily impacts the Company's investing activities.

Effective management of market risk requires the ability to analyse a complex and constantly changing global market environment, identify problematic trends and ensure that appropriate action is taken in a timely manner.

The Company uses a variety of complementary tools to measure, model and aggregate market risk. The Company's principal statistical measurement tool to assess and monitor market risk on an ongoing basis is Value at Risk ("VaR"). Limits on VaR are set in line with Company's risk appetite as expressed through regulatory capital. Market risk is monitored against a set of approved limits, with daily reports and other management information provided to the business units and senior management.

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Notes to Financial Statements for the year ended March 31, 2022

a. Total market risk exposure

iii. Market risk

In ₹ million

Particulars	As at March 31, 2022			
	Carrying amount	Traded risk	Non traded risk	Primary risk
Financial assets				
Cash and cash equivalents	11.5	-	11.5	
Receivables				
- Trade receivables	-	-	-	
Investments	6,908.7	6,658.7	250.0	Interest rate risk
Loans	491.1	-	491.1	
Other financial assets	221.7	-	221.7	
	7,633.0	6,658.7	974.3	
Financial liabilities				
Lease liability	56.0	-	56.0	
Other financial liabilities	39.2	-	39.2	
	95.2	-	95.2	

In ₹ million

Particulars	As at March 31, 2021			
	Carrying amount	Traded risk	Non traded risk	Primary risk
Financial assets				
Cash and cash equivalents	8.3	-	8.3	
Receivables				
- Trade receivables	-	-	-	
Investments	6,985.5	6,785.5	200.0	Interest rate risk
Other financial assets	392.3	-	392.3	
	7,386.1	6,785.5	600.6	
Financial liabilities				
Lease liability	62.3	-	62.3	
Other financial liabilities	50.2	-	50.2	
	112.5	-	112.5	

Value at Risk (VaR)

VaR is a measure of the potential loss in the value of the Company's investment positions due to adverse movements in markets over a defined time horizon with a specified confidence level. Market risks that are incorporated in the VaR model include bond prices, interest rates, credit and foreign exchange rates with associated volatilities and correlations.

VaR metrics

The 1 day VaR at 95% confidence level as of each of the dates indicate are as follows:

VaR as at March 31, 2022 - ₹ 6.1 million

VaR as at March 31, 2021 - ₹ 12.0 million

Assumptions

The Company uses a single VaR model in order to determine the total VaR for the Company. The Company's VaR methodology uses historical simulation to estimate potential profit or loss. Historical market moves are repeatedly applied to current exposure, forming a distribution of simulated portfolio returns. From this distribution the required potential losses can be estimated at required confidence levels or probabilities. VaR is calculated at a 95% confidence level and using a 1-day time horizon.

The VaR model uses a historical time window of two years (520 business days). For risk management, the Company uses an exponential weighted moving average VaR. For the calculation

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Notes to Financial Statements for the year ended March 31, 2022

of VaR, the probability weight assigned to each measure of estimated profit or loss in the historical simulation scenarios depends on when it occurred. The older the observation, the lower the weight.

The Company's VaR model uses time series for each individual underlying, whenever available. Whenever a time series cannot be found for a specific underlying, the VaR model will follow 'proxy logic' to map the exposure to an appropriate time series. The level of proxying taking place in the VaR model is carefully monitored through internal risk management processes and there is a continual effort to source new time series to use in the VaR calculation.

Objectives and Limitations of the VaR methodology

The main advantage of VaR as a risk measure is that it is able to aggregate risk from different asset classes (in contrast with other risk measures sensitivities that cannot be easily aggregated directly). The risk from different products of the Company can therefore easily be compared and aggregated using VaR.

As a risk measure, however, VaR has certain limitations. One of the main disadvantages with VaR is that it is a backward-looking risk measure. Using historical market moves to estimate future losses assumes that only events that have actually happened in the past are relevant to analyse the risk of a portfolio.

In addition, VaR only gives an estimate of the loss at a stated 95th percentile (i.e. in five out of 100 days the loss will be greater than 1-day VaR), but not what the magnitude of loss could be whenever the loss does exceed VaR.

VaR as a risk measure is most appropriate for liquid markets and may understate the financial impact of severe events for which there is no historical precedent on where market liquidity may not be reliable. In particular, historical correlations can break down in extreme markets leading to unexpected relative market moves. This may make positions that off-set each other in VaR modelling move in the same direction thus increasing losses. VaR also does not fully capture the impact of defaults by issuers as these are very rare events.

Given the limitations of the VaR model, the Company uses VaR only as one component of a diverse market risk management process

iv. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

Exposure to interest rate risk for non-trading financial assets and liabilities:

The Company does not have any floating rate financial assets and liabilities as at the reporting date, therefore a change in interest rate would not affect profit and loss.

v. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The functional currency of the Company is Indian Rupee (₹).

At present, the Company does not have any exposure in foreign currency. (Previous year: NIL)

vi. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in raising funds to meet its working capital requirements and commitments, including those associated with financial instruments.

The Company's liquidity risk appetite is defined by the requirement to maintain sufficient liquidity (through holding a highly liquid pool of high quality, unencumbered assets that can be monetized) across market cycles and periods of stress such that all funding requirements and unsecured debt obligations falling due within the two separately defined stress scenarios can be met without the need to roll unsecured financing.

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The Company has established an Asset and Liability Committee (“ALCO”) to define its policy relating to funding and liquidity risk.

The Company’s finance department monitors, on an ongoing basis, the Company’s funding requirements and its forecasts, maturity mismatches and liquidity ratios in order to enable the Company meet its short-term funding requirements.

The Company maintains a portfolio of highly liquid and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow. Liquidity risk is also mitigated through the close monitoring of exposure to avoid undue concentration.

Exposure to liquidity risk

As at March 31, 2022

In ₹ million

Particulars	Carrying amount	1 to 7 days	8 to 14 days	15 to 30/31 days	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 to 3 years	Over 3 to 5 years	Over 5 years
Financial assets											
Cash and cash equivalents	11.5	11.5	-	-	-	-	-	-	-	-	-
Receivables											
- Trade receivables	-	-	-	-	-	-	-	-	-	-	-
Investments ^{#s}	6,908.7	2,503.1	3,478.0	-	-	-	143.8	334.1	352.4	73.9	23.4
Loans ^s	491.1	-	-	-	-	-	-	-	491.1	-	-
Other financial assets	221.7	-	-	96.2	-	0.1	83.0	42.4	-	-	-
Foreign currency assets ^s	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities											
Borrowings ^s	-	-	-	-	-	-	-	-	-	-	-
Debt securities ^s	-	-	-	-	-	-	-	-	-	-	-
Deposits ^s	-	-	-	-	-	-	-	-	-	-	-
Lease liability	56.0	-	-	0.5	0.5	0.6	1.7	3.4	15.2	19.9	14.2
Other financial liabilities	39.2	-	-	5.8	33.4	-	-	-	-	-	-
Foreign currency liabilities ^s	-	-	-	-	-	-	-	-	-	-	-
Inflows	7,633.0	2,514.6	3,478.0	96.2	-	0.1	226.8	376.5	843.5	73.9	23.4
Outflows	95.2	-	-	6.3	33.9	0.6	1.7	3.4	15.2	19.9	14.2

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As at March 31, 2021

In ₹ million

Particulars	Carrying amount	1 to 7 days	8 to 14 days	15 to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 year	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years
Financial assets											
Cash and cash equivalents	8.3	8.3	-	-	-	-	-	-	-	-	-
Receivables											
- Trade receivables	-	-	-	-	-	-	-	-	-	-	-
Loans [§]	-	-	-	-	-	-	-	-	-	-	-
Investments ^{*§}	6,985.5	1,446.5	4,338.0	-	-	-	76.1	15.3	858.4	126.2	125.0
Other financial assets	392.3	128.7	212.5	3.6	-	-	12.3	0.3	32.9	2.0	-
Foreign currency assets [§]	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities											
Borrowings [§]	-	-	-	-	-	-	-	-	-	-	-
Debt securities [§]	-	-	-	-	-	-	-	-	-	-	-
Deposits [§]	-	-	-	-	-	-	-	-	-	-	-
Lease liability	62.3	-	-	0.5	0.5	0.5	1.5	3.2	14.0	17.2	24.9
Other financial liabilities	50.2	-	-	9.1	41.5	-	-	-	-	-	-
Foreign currency liabilities [§]	-	-	-	-	-	-	-	-	-	-	-
Inflows	7,386.1	1,583.5	4,550.5	3.6	-	-	88.4	15.6	891.3	128.2	125.0
Outflows	112.5	-	-	9.6	42.0	0.5	1.5	3.2	14.0	17.2	24.9

[§]Disclosure pursuant to Annexure XIV of RBI/DNBR/2016-17/45 Master Directions DNBR.PD.004 /03.10.119/2016-17 Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 (as updated on June 14, 2022).

*Investments and accrued interest on investments are classified as per the "Liquidity risk framework" adopted by the Company based on RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019.

#All listed corporate bonds will be placed in the "1 day to 30/31 days" buckets depending on the defeasance period as defined in the Company's Asset Liability Management ("ALM") Policy.

28. Capital Management

The Company's objectives when managing capital are:

- To maintain adequate level of capital to ensure compliance with prevailing regulatory requirements.
- To safe guard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain an optimal capital structure to reduce the cost of capital.

The Board seeks to maintain a balance between the higher returns on capital that might be possible by running higher levels of leverage and the advantages and security afforded by a sound capital position.

Leverage Ratio

The Company monitors capital using 'borrowing' to 'net owned funds' ratio. For this purpose, 'net owned funds' comprises of all components of equity less intangible assets (including capital work in progress) deferred tax asset.

It is the Company's policy to keep this ratio below, 2 times of net owned funds or borrowings of ₹10,000 million, whichever is lower. The Company's borrowing to net owned funds ratio at March 31, 2022, along with the comparative, was as follows:

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Notes to Financial Statements for the year ended March 31, 2022

Type	In ₹ million	
	March 31, 2022	March 31, 2021
Total borrowings (including lease liability)	56.0	62.3
Net owned funds	7,651.0	7,352.8
Adjusted net debt to equity ratio	0.01	0.01

29. Employee Benefits

The Company contributes to the following post-employment defined benefit plans in India.

i) Defined contribution plans:

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contribution is due. The Company has no obligation, other than the contribution payable to the provident fund.

ii) Defined benefit plan:

A defined benefit plan is a post-employment benefit plan, other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employee has earned in return for their service in the Company. Present value of such future benefit becomes the liability to the Company. Any unrecognized past service cost is considered while calculating this liability. The discount rate is determined using the government bond yield, published by FIMMDA, of the maturity equivalent to the expected term of the obligation.

Remeasurements of the net defined benefit liability, which comprise of actuarial gains and losses, are recognised immediately in OCI

The Company determines the net interest expense on the net defined benefit liability for the year by applying the discount rate used to measure the defined benefit obligation to the beginning of the year balance of net defined benefit liability, taking into account any changes in the net defined benefit liability during the year as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

Gratuity liability is a defined benefit obligation, calculated by an actuary, using projected unit credit method at end of each financial year. Actuarial gains and losses are recognized in full in the year in which they occur in the OCI.

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and exposes the Company with the following risks:

a) Interest rate risk

A fall in the discount rate which is linked to the government bond yield will increase the present value of the liability requiring a higher provision.

b) Salary increment risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

c) Asset liability matching ("AL") risk

The plan faces the AL risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds as the defined benefit plan of the Company is unfunded.

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Notes to Financial Statements for the year ended March 31, 2022

d) Mortality risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

e) Regulatory risk

Risk associated with change in regulation.

In ₹ million

Particulars	March 31, 2022	March 31, 2021
Present value of defined benefit obligation	(3.7)	(5.7)
Fair value of plan assets	-	-
Funded status (Surplus/(Deficit))	(3.7)	(5.7)
Non-current	(3.3)	(4.8)
Current	(0.4)	(0.9)

A. Movement in net defined benefit (asset) / liability

The following table shows reconciliation from the opening balance to the closing balances for net defined benefit liability and its components.

In ₹ million

Particulars	March 31, 2022	March 31, 2021
Present value of defined benefit obligation		
a. Opening balance	5.7	5.8
Included in statement of profit & loss:		
b. Current service cost	0.2	0.2
c. Past service cost	-	-
d. Transfer in/out	(1.5)	-
e. Interest cost	0.4	0.4
f. Benefits paid	(2.0)	(0.7)
g. Sub-total (a+b+c+d+e+f)	2.8	5.7
Included in other comprehensive income		
h. Demographic assumption	0.0*	0.1
i. Financial assumption	0.0*	0.1
j. Experience assumption	0.9	(0.2)
k. Closing balance (g+h+i+j)	3.7	5.7

B. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	March 31, 2022	March 31, 2021
Discount rate	6.84%	6.26%
Salary escalation	9.00%	7.00%
Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08) Ultimate
Employee turnover rate (for different age groups)	12.00%	13.00%

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The estimate of future salary increases, considered in actuarial valuation takes into consideration inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

ii. Amount for the current and previous two years are as follows:

Particulars	In ₹ million	
	March 31, 2022	March 31, 2021
Defined benefit obligation	(3.7)	(5.7)
Plan assets	-	-
Surplus/(deficit)	(3.7)	(5.7)
Experience (gain)/loss adjustments on plan liabilities	0.9	(0.2)
Actuarial (gain)/loss due to change in assumptions	-	0.2

C. Expenses recognised in statement of profit & loss

Particulars	In ₹ million	
	March 31, 2022	March 31, 2021
Current service cost	0.2	0.2
Net interest cost	0.4	0.4
Past service cost	-	-
Expected contributions by the employees	-	-
(Gains)/losses on curtailments and settlements	-	-
Net effect of changes in foreign exchange rates	-	-
Transfer out of employees	(1.5)	-
Expenses recognised	(0.9)	0.6

D. Expenses recognized in OCI

Particulars	In ₹ million	
	March 31, 2022	March 31, 2021
Actuarial (gains)/losses on obligation for the period	0.9	0.0*
Return on plan assets, excluding interest income	-	-
Change in asset ceiling	-	-
Net (income)/expense for the period recognized in OCI	(0.9)	0.0*

*Below the rounding off norms applied by the Company.

E. Sensitivity analysis

The sensitivity analyses have been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting date, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting year, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

In ₹ million

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Delta effect of +1% change in rate of discounting	-	0.2	-	0.2
Delta effect of -1% change in rate of discounting	0.2	-	0.3	-
Delta effect of +1% change in rate of salary increase	0.1	-	0.1	-
Delta effect of -1% change in rate of salary increase	-	0.1	-	0.1
Delta effect of +1% change in rate of employee turnover	0.0*	-	0.1	-
Delta effect of -1% change in rate of employee turnover	-	0.0*	-	0.1

iii. Other long term employee benefits.

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognizes the charge to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on valuation by an independent actuary. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit and leave expected to be carried forward beyond 12 months, as long term employee benefit.

30. Stock appreciation rights

Restricted Stock Units ('RSU')

The ultimate holding company granted the first RSU awards in May 2019. For each RSU award, one common stock of NHI is delivered. The awards generally have a graded vesting period over three years with an extending vesting period of up to seven years for certain senior management and employees in order to meet local regulatory requirements based on the role they perform within Nomura. The grant date fair value per award is determined using the price of the NHI's common stock.

The following table sets out the movement of the RSU awards during the financial year:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	3,100.0	-
Granted during the year	-	3,100.0
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Transferred during the year	(3,100.0)	-
Closing balance	-	3,100.0

The expense recognised in statement of profit and loss on account of Stock Appreciation Rights ('SAR') for the current year is ₹1.5 million. (March 31, 2021 was ₹0.5million).

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Cash-settled compensation scheme

Supplemental awards such as Notional Stock Units ("NSU"), Notional Indexed Units ("NIU") and Collared Notional Stock Units ("CSU") are granted to the Company's employees. NSU and CSU are linked to the ultimate holding company's stock price whereas NIU is linked to a world stock index quoted by Morgan Stanley Capital International that has graded vesting over three to five years of grant date. All these awards are cash settled.

31. Income Tax and Deferred Tax

1. Amounts recognised in Statement of Profit and Loss

Particulars	In ₹ million	
	As at March 31, 2022	As at March 31, 2021
Current tax expense		
a. Current year	-	136.0
b. Changes in estimates relating to prior years	1.3	(1.4)
	1.3	134.6
Deferred tax expense		
a. Origination and reversal of temporary differences	77.9	84.8
b. Change in tax rate	-	-
c. Recognition of previously unrecognised tax losses	(0.1)	(0.2)
	77.8	84.6
Tax expense recognised in the Statement of Profit and Loss	79.1	219.2

2. Amounts recognised in other comprehensive income

Particulars	In ₹ million					
	As at March 31, 2022			As at March 31, 2021		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Items that will not be reclassified to Statement of Profit or Loss						
Re-measurements of the defined benefit plans	(0.9)	0.2	(0.7)	0.0*	0.0*	0.0*

*Below the rounding off norms applied by the Company.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

3. Reconciliation of effective tax rate

In ₹ million

Particulars	As at March 31, 2022	As at March 31, 2021
Profit before tax	298.7	870.9
Tax using the Company's domestic tax rate (Current year 25.17% Previous year 25.17%)	75.2	219.2
Changes in tax rate	-	-
Tax effect of:		
Interest u/s 234B and u/s 234C	0.3	0.3
Non-deductible tax expense	3.7	(0.1)
Recognition of previously unrecognised deductible temporary difference	(0.1)	(0.2)
Tax expense recognised in the Statement of Profit and Loss	79.1	219.2

The effective tax rate for the year ended March 31, 2022 was 26.5%. (March 31, 2021: 25.2%)

4. Movement in deferred tax balances

As at March 31, 2022 In ₹ million

Particulars	Opening balance	Recognised in statement of profit and loss	Recognised in OCI	Deferred tax asset	Deferred tax liability
Provision for Leave encashment	2.0	(0.7)	-	1.3	-
Provision for Gratuity	1.3	(0.7)	-	0.6	-
Provision on GST asset	2.5	0.8	-	3.3	-
Depreciation	0.0*	-	-	-	-
Unrealised loss on investments	152.2	(124.0)	-	28.2	-
Lease liabilities	1.5	0.4	-	1.9	-
Provision for expected credit losses	-	6.0	-	6.0	-
Provision for doubtful debts	2.8	(2.8)	-	-	-
Tax losses	-	43.2	-	43.2	-
Re-measurements gain/(loss) on defined benefit plan	0.0*	-	0.2	0.2	-
Total	162.3	(77.8)	0.2	84.7	-

*Below the rounding off norms applied by the Company.

As at March 31, 2021 In ₹ million

Particulars	Opening balance	Recognised in statement of profit and loss	Recognised in OCI	Deferred tax asset	Deferred tax liability
Provision for Leave encashment	1.7	0.3	-	2.0	-
Provision for Gratuity	1.4	0.0*	-	1.3	-
Provision on GST asset	2.3	0.2	-	2.5	-
Depreciation	0.0*	0.0*	-	0.0*	-
Unrealised loss on investments	235.6	(83.4)	-	152.2	-
Lease liabilities	1.0	0.5	-	1.5	-
Provision for expected credit losses	4.9	(4.9)	-	-	-
Provision for doubtful debts	-	2.8	-	2.8	-
Re-measurements gain/(loss) on defined benefit plan	-	-	0.0*	0.0*	-
Total	246.9	(84.6)	0.0*	162.3	-

*Below the rounding off norms applied by the Company.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
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to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

32. Earnings Per Share

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	March 31, 2022	March 31, 2021
Net Profit attributable to equity holders of the Company (In ₹ million)	219.6	651.7
Weighted average number of shares at the end of the year	130,000,000	130,000,000
Face value per share	10.0	10.0
Basic and diluted earnings per share	1.69	5.01

33. Segment Reporting

Mr. Ambrish Singh has been identified as the Chief Operating Decision Maker (CODM). The CODM regularly reviews the performance reports and makes decisions about allocation of resources.

An operating segment is a component of the Company that engages in business activities from which it earns revenue and incurs expenses, for which discrete financial information is available.

The Company is a Non-banking financial institution and is primarily engaged in lending and investing activities. The Company's operations fall under single business segment.

Further the business operations of the Company are primarily concentrated in India. The Company is considered to operate in the single geographical segment i.e. domestic segment.

Since the Company's' current business activities primarily falls within a single business and geographical segment, no additional disclosures are required as per Ind AS 108.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

34. Related Party Disclosure

1. Names of related parties:

Nature of relationship	Name of party
Parent company	Nomura Asia Investment (Fixed Income) Pte. Ltd.
Ultimate parent company	Nomura Holdings, Inc.

2. Names of related parties with whom transactions have taken place during the year:

Nature of relationship	Name of party
Fellow subsidiaries	Nomura Services India Private Limited
	Nomura Structured Finance Services Private Limited
	Nomura Financial Advisory and Securities (India) Private Limited
	Nomura Fixed Income Securities Private Limited
	Nomura Singapore Limited
	Nomura Investments (Singapore) Pte. Limited
	Nomura Asset Management Co.
Key management personnel	Mr. Ambrish Singh (Date of appointment September 30, 2021)
	Mr. R. Arun
	Mr. Shantanu Sahai (Date of resignation April 12, 2022)
	Mr. Vikas Murarka (Date of resignation December 10, 2021)
	Mr. Vipul Chatwani
	Mr. Swee Seng Liang (Date of appointment March 14, 2022)

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Notes to Financial Statements for the year ended March 31, 2022

In ₹ million

Name of related party	Nature of relationship	Nature of transaction	Transactions during the period ended March 31, 2022	Amount outstanding as at March 31, 2022 Receivable/ (Payable)	Transactions during the period ended March 31, 2021	Amount outstanding as at March 31, 2021 Receivable/ (Payable)
Nomura Financial Advisory & Securities (India) Private Limited	Fellow subsidiary	Support cost recharge*	33.9	(0.1)	22.7	(2.6)
		Other expenditure	0.7	0.0**	0.7	0.0**
		Recharge to group companies*	18.6	7.4	13.8	1.8
Nomura Services India Private Limited	Fellow subsidiary	Legal and professional fees*	12.1	(0.7)	15.5	(1.3)
Nomura Structured Finance Services Private Limited	Fellow subsidiary	Legal and professional fees*	2.7	(0.5)	2.0	(0.2)
Nomura Fixed Income Securities Private Limited	Fellow subsidiary	Recharge to group companies*	21.7	19.9	9.7	1.8
Nomura Investments (Singapore) Pte. Limited	Fellow subsidiary	Purchase of securities	-	-	2,828.7	-
		Sale of securities	328.7	-	-	-
Nomura Asset Management Co.#	Fellow subsidiary	Purchase of securities	270.3	-	1,339.5	-
Directors	Key management personnel	Short term employee benefits	49.7	23.3	59.0	(35.6)
		Post employment benefits	4.1	0.1	1.4	(0.1)
		Employee share based payments	1.5	-	0.5	-

*Inclusive of goods and service tax.

Transaction entered with The Nomura Trust and Banking Co. Limited as the trustee of Indian Local Currency Denominated Bond Mother Fund which is managed by Nomura Asset management Co.

** Below rounding off norms adopted by the Company.

35. Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the year presented below:

In ₹ million

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liability	56.0	62.3

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
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In ₹ million

Particulars	As at March 31, 2022	As at March 31, 2021
Net debt as at April 1, 2021	62.3	68.1
Comprises of :		
As per balance sheet	62.3	68.1
Interest accrued	-	-
Cash flows	(10.8)	(10.8)
Interest expense	4.5	5.0
Interest paid	-	-
Other non-cash movements		
- Fair value adjustments	-	-
- Acquisitions/disposals	-	-
Net debt as at March 31, 2022	56.0	62.3
Balance	56.0	62.3
Interest accrued		

36. Income/Expenditure in foreign currency: (on accrual basis)

a) Income in foreign currency

Current Year: Nil (Previous Year: Nil)

b) Expenditure in foreign currency

Current Year: ₹14.4 million (Previous year: Nil)

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Notes to Financial Statements for the year ended March 31, 2022

37. Disclosure pursuant to Annexure XVI of RBI/DNBR/2016-17/45 Master Directions DNBR.PD.004/03.10.119/2016-17 Master Direction-Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 (as updated on June 14, 2022).

a. Capital to risk assets ratio (CRAR)

Particulars	March 31, 2022	March 31, 2021
Capital Adequacy Ratio	105.02%	102.91%
Tier 1 Capital Adequacy Ratio	104.99%	102.91%
Tier 2 Capital Adequacy Ratio	0.03%	0.00%
Amount of Subordinated Debt raised as Tier II Capital	-	-
Amount raised by issue of Perpetual Debt instruments	-	-

b. Investments

Particulars	In ₹ million	
	As at March 31, 2022	As at March 31, 2021
1) Value of Investments		
i) Gross value of Investments*		
a) In India	7,423.7	6,985.5
b) Outside India	-	-
ii) Provison for depreciation**		
a) In India	-	-
b) Outside India	-	-
Net value of Investment*		
a) In India	7,423.7	6,985.5
b) Outside India	-	-
2) Movement of provisions held towards depreciation on Investments**		
i) Opening balance	-	19.9
ii) Add: Provision made during the year	23.9	-
iii) Less: Write off/write back of excess provision during the year	-	(19.9)
iv) Closing balance	23.9	-

* Includes change in fair value.

** Provision for ECL on investments measured at amortised cost.

c. Derivatives

a. Interest rate swaps and Forward rate agreements

The Company has not entered into Interest rate swaps and Forward rate agreements during the year 2021-22. (Previous year: NIL)

b. Exchange traded interest rate derivative

The Company has not entered into exchange traded interest rate derivative during the year 2021-22. (Previous year: NIL)

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Notes to Financial Statements for the year ended March 31, 2022

c. Disclosure on risk exposure

The Company has formulated and adopted a Risk Management Framework to identify and take appropriate measures to mitigate the risks impacting the business of the Company.

The Risk Management Framework lays down the procedures for identification of risks, assessment of its impact on the business of the Company and the efficacy of the measures taken to mitigate the same. The risks are evaluated at an inherent and residual level, based on the impact of such risks and the likelihood of its occurrence.

The Risk Management Committee (RMC) is responsible for ensuring that the appropriate methodology, processes and systems are in place for monitoring, identifying and reviewing the risks associated with the business of the Company.

RMC reviews compliance with risk policies, monitors risk limits, reviews and analyzes risk exposure related to specific issues and provides oversight of risk across the Company. The minutes of RMC is placed before the Board for its review and consideration.

The Company also has an investment policy that includes all the derivatives transactions. This policy covers the nature of derivative products, defines a pre-approved risk framework within which the Company can enter into various derivative transactions, and defines risks that can be taken to use derivatives for hedging purposes and to outline accounting and operational processes governing the above.

d. Securitisation

The Company has not entered into any securitisation transactions during the year 2021-22. (Previous years: NIL).

e. Details of non-performing financial assets purchased/sold

The Company has not purchased or sold any non-performing financial assets during the year 2021-22. (Previous years: NIL).

f. Exposures

a. Exposure to real estate sector

(Disclosure also in pursuant to RBI circular no. RBI/2008-09/116 DNBS (PD).CC No.125/03.05.002/2008-2009 dated August 1, 2008)

The Company does not have direct exposure to residential or commercial real estate nor made any investment in mortgage backed securities ("MBS") and other securitized exposures for the year 2021-22. (Previous years: NIL).

b. Exposure to capital markets

The Company does not have any exposure to capital markets for the year 2021-22. (Previous year: NIL)

g. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

During the financial year 2021-22, the Company has not exceeded the Single Borrower Limits or the Group Borrower Limits laid down by the Reserve Bank of India (RBI). (Previous years: NIL)

h. Unsecured Advances

The Company has not made any unsecured advances during the current year (Previous years: NIL)

i. Registration obtained from other financial sector regulators

The Company has not obtained registration from any other financial regulator in FY 2021-22. (Previous years: NIL)

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Notes to Financial Statements for the year ended March 31, 2022

j. Disclosures of Penalties imposed by RBI and other regulators

There has been no penalty imposed by RBI or other regulators on the Company during the year 2021-22 (Previous years: NIL)

k. Rating assigned by credit rating agencies and migration of ratings during the year.

- i. Ratings assigned: Rating Agency – India Ratings and Research Private Limited.
- ii. Long-term principal protected equity linked debentures – IND PP-MLDAAAemr/Stable
- iii. Short-term commercial paper programme – IND A1+ (February 28, 2022 to February 27, 2023)
- iv. There has not been any migration of ratings during the year.

l. Provisions and contingencies

In ₹ million

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	March 31, 2022	March 31, 2021
Provision for depreciation on Investments	23.9	(19.9)
Provisions towards NPA	-	-
Provision made towards income taxes (Including deferred taxes and tax reversal for prior years)	79.1	219.2
Other provisions and contingencies		
Provision for gratuity	(0.9)	0.6
Provision for compensated absences	(2.8)	1.8
Provision on goods and service tax asset	3.2	0.7
Provision on doubtful debts for accrued interest	(11.3)	11.3

m. Drawdown from reserves

The Company has not drawn out any amount from reserves in FY 2021-22. (Previous year: NIL)

n. Concentration of Deposits, Advances, Exposure and NPAs.

a. Concentration of deposits (for deposit taking NBFC)

Particulars	March 31, 2022	March 31, 2021
Total deposits of twenty largest depositors (In ₹ million)	NIL	NIL
Percentage of deposit to twenty largest depositors to total deposits of the NBFC	NA	NA

b. Concentration of advances

Particulars	March 31, 2022	March 31, 2021
Total advances to twenty largest borrowers (In ₹ million)	NIL	NIL
Percentage of advances to twenty largest borrowers to total advances of the NBFC	NA	NA

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Notes to Financial Statements for the year ended March 31, 2022

c. Concentration of exposures

Particulars	March 31, 2022	March 31, 2021
Total exposure to twenty largest borrowers (In ₹ million)	7,594.3	7,302.1
Percentage of exposure to twenty largest borrowers to total exposure of the NBFC	100.0%	100.0%

d. The Company does not have any non-performing assets as at March 31, 2022.
(Previous year: NIL)

o. Customer Complaints

Particulars	March 31, 2022	March 31, 2021
No. of complaints pending at the beginning of the year	NIL	NIL
No. of complaints received during the year	NIL	NIL
No. of complaints redressed during the year	NIL	NIL
No. of complaints pending at the year	NIL	NIL

38. Contingent liabilities

The company is in litigation with tax office in respect of certain additions made to the returned income. The company has appealed against all of the below orders and the same are pending before the Commissioner of Income Tax (Appeals)

Particulars	In ₹ million	
	March 31, 2022	March 31, 2021
Income Tax FY 2011-12 (AY 2012-13)	9.5	9.5
Income Tax FY 2012-13 (AY 2013-14)	94.0	94.0
Income Tax FY 2013-14 (AY 2014-15)	19.3	19.3
Income Tax FY 2014-15 (AY 2015-16)	8.6	8.6
Total	131.4	131.4

39. A. As required by Paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 (as updated on June 14, 2022) is appended herewith as an Annexure I.

B. As required by Appendix I of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 – Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies dated November 04, 2019 is appended herewith as an Annexure II.

40. The Company has a comprehensive system of maintenance of information and documents required by transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Based on the information and available documents, the Company is of the view that all international transactions are at arm's

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

length and hence the above legislation will not have any material impact on the financial statements, particularly on the amount of tax expense and that of provision for taxes.

41. Maturity analysis

The table below classifies all the assets and liabilities according to their expected maturity, i.e. recovery or settlement in the next 12 months.

In ₹ million

Particulars	March 31, 2022			
	Assets	Within 12 months	After 12 months	Total
Financial assets				
Cash and cash equivalents		11.5	-	11.5
Receivables				
- Trade receivables		-	-	-
Investments*		6,658.7	250.0	6,908.7
Loans*		-	491.1	491.1
Other financial assets		221.7	-	221.7
Non-financial assets				
Current tax assets (net)		-	75.2	75.2
Deferred tax assets (net)		-	84.7	84.7
Property, plant and equipment		-	0.3	0.3
Right of use asset		-	48.7	48.7
Intangible assets under development		-	-	-
Other intangible assets		-	0.2	0.2
Other non-financial assets		1.3	-	1.3
Total		6,893.2	950.2	7,843.4
Liabilities and Equity				
Financial liabilities				
Lease liability		6.7	49.3	56.0
Other financial liabilities		39.2	-	39.2
Non-financial liabilities				
Current tax liabilities (net)		-	-	-
Provisions		1.1	7.8	8.9
Other non-financial liabilities		3.4	-	3.4
Total		50.4	57.1	107.5
Net Shareholders Funds		6,842.8	893.1	7,735.9

*Level 3 securities has been bucketed as per their residual maturities.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

In ₹ million

Particulars	March 31, 2021			
	Assets	Within 12 months	After 12 months	Total
Financial assets				
Cash and cash equivalents		8.3	-	8.3
Receivables				
- Trade receivables		-	-	-
Investments*		6,860.5	125.0	6,985.5
Other financial assets		392.3	-	392.3
Non-financial assets				
Current tax assets (net)		-	38.5	38.5
Deferred tax assets (net)			162.3	162.3
Property, plant and equipment		-	0.5	0.5
Right to use asset		-	56.5	56.5
Intangible assets under development		-	-	-
Other intangible assets			0.4	0.4
Other non-financial assets		0.7	-	0.7
Total		7,261.8	383.2	7,645.0
Liabilities and Equity				
Financial liabilities				
Lease liability		6.2	56.1	62.3
Other financial liabilities		50.2	-	50.2
Non-financial liabilities				
Current tax liabilities (net)		-	-	-
Provisions		1.9	11.7	13.6
Other non-financial liabilities		3.4	-	3.4
Total		61.7	67.8	129.5
Net Shareholders Funds		7,200.1	315.4	7,515.5

*Level 3 securities has been bucketed as per their residual maturities.

42. Change in accounting policy

There has not been any change in the accounting policy in FY 2021-22.

43. Impact of COVID 19

The Covid-19 pandemic had impacted most economies globally, including India. The nation-wide lockdown during April-May 2020 and subsequent localized / regional restrictions had substantially impacted economic activity in the Country.

Lifting of restrictions subsequently led to gradual improvement in economic activity and progress towards normalcy. In FY 2021-22, India witnessed two more waves of Covid 19 pandemic and re-imposition of localized restrictions measures in certain parts of the country. During this period, the Company's operations have continued seamlessly without any significant impact.

Currently, with the number of Covid-19 cases significantly reduced, the Government has withdrawn Covid-19 related restrictions. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

44. The Company held investments in Dewan Housing Finance Limited ("DHFL") as at March 31, 2021. The Company classified the same as high credit risk investments and had marked it down to ₹200.0 million (Face value ₹800 million), post the intimation of its insolvency proceedings. The resolution to

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

the insolvency was completed during the current year and the Company received the following settlement against the debentures held:

- a. Funds received – ₹ 164.9 million
- b. Bonds of Piramal Capital and Housing Finance Limited (6.75%) - ₹ 198.3 million

Consequently, the Company has recognized the difference between the carrying value as at March 31, 2021 and the settlement proceeds received as gain in the statement of profit and loss in the current year. Further, the Company had provided ₹11.3 million towards interest accrued in the previous year. On settlement, the provision has been adjusted against interest accrued and has been written off in the statement of profit and loss of the current year.

45. Other regulatory information

i. Title deeds of Immovable Property not held in name of the Company

The Company does not hold any immovable property as on March 31, 2022.

ii. Revaluation of Property, Plant and Equipment

The Company has not revalued any of its Property, Plant and Equipment during the year ended March 31, 2022.

iii. Loans or Advances in the nature of loans

The Company has not granted any Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.

iv. Details of Benami Property held

No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

v. Borrowings from banks or financial institutions on the basis of security of current assets

The Company does not have any borrowings from banks or financial institutions on the basis of security of current assets as on March 31, 2022.

vi. Wilful Defaulter

The Company is not declared as willful defaulter by any banks or financial institutions or other lenders as on March 31, 2022.

vii. Relationship with Struck off Companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

viii. Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction yet to be registered with ROC beyond the statutory period.

ix. Compliance with number of layers of companies

The Company has not made any kind of investment in any other Companies (with respect to number of layers specified Under section 2 (87) of the Act read with the Companies (restriction on the number of layers) Rules, 2017.

x. Compliance with approved Scheme(s) of Arrangements

The Company has not approved any scheme of arrangement in accordance with sections 230 to 237 of the Companies Act, 2013.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

xi. Undisclosed Income

The Company has not recorded any transactions in the books of accounts that has been surrendered or disclosed as income during the year ended March 31, 2022 in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

xii. Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2022.

xiii. Utilization of borrowed funds and share premium

The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

The Company has not received any funds from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

46. The Company had a whole time Company Secretary who resigned during the year. The Company is in the process of re-appointing a Whole time Company Secretary.

47. Company aims to positively contribute towards economic, environmental and social well-being of communities through its Corporate Social Responsibility ("CSR") agenda. CSR programme undertaken are in the area of Disaster Relief (Covid-19), Healthcare, Education, Skill development and Livelihood. The Company's CSR footprint has been consistently increasing over the years. As per the provisions of the Section 135 of the Companies Act, 2013, the Company is required to spend ₹7.7 million during the year on CSR activities.

Details of corporate social responsibility expenditure		In ₹ million	
Sr No	Particulars	March 31, 2022	March 31, 2021
a	Amount required to be spent during the year	7.7	5.0
b	Amount spent during the year		
i.	Construction/acquisition of any asset	-	2.0
ii.	On purposes other than (i) above	7.7	3.1

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

Disclosures in relation to corporate social responsibility expenditure		In ₹ million	
Sr No	Particulars	March 31, 2022	March 31, 2021
a	Contribution to Sri Satya Sai Books and Publications Trust	1.9	2.0
b	Contribution to Annamrita Foundation	5.5	-
c	Contribution to Janakalyan Sevashram	-	2.1
d	Contribution to Give Foundation	-	0.0*
e	Contribution to Bhagwan Mahavir Vikalang Sahayata Samiti	-	0.5
f	Other administrative cost	0.3	0.5
g	Accrual towards unspent obligations in relation to:		
i	Ongoing project	-	-
ii.	Other than ongoing project	-	-
h	Amount required to be spent as per Section 135 of the Act	7.7	5.0
i	Amount approved by the Board to be spent during the year	7.7	5.1
j	Amount spent during the year on:		
i.	Construction / acquisition of any asset	-	2.0
ii.	On purposes other than (i) above	7.7	3.1

*Below the rounding off norms adopted by the Company

Details of excess CSR expenditure under Section 135(5) of the Act

		In ₹ million	
Sr No	Particulars	March 31, 2022	March 31, 2021
a.	Balance excess spent as at April 01	-	-
b.	Amount required to be spent during the year	7.7	5.0
c.	Amount spent during the year	7.7	5.1
d.	Balance excess spent as at March 31	0.0	0.1

For Price Waterhouse Chartered Accountants LLP
 Firm Registration Number: 012754N/N500016

SHARAD Digitally signed by
AGARWAL SHARAD AGARWAL
 Date: 2022.06.22
 22:19:53 +05'30'

Sharad Agarwal
 Partner
 Membership Number: 118522
 Place: Mumbai
 Date: June 22, 2022

For and on behalf of the Board of Directors of
 Nomura Capital (India) Private Limited

Ambrish Digitally signed
h Singh by Ambrish
 Singh
 Date: 2022.06.22
 21:33:30 +05'30'

Ambrish Singh
 Director
 DIN: 09336231
 Date: June 22, 2022

VIPUL Digitally signed
JAMNADA by VIPUL
S JAMNADAS
CHATWANI CHATWANI
 Date: 2022.06.22
 21:29:33 +05'30'

Vipul Chatwani
 Director
 DIN: 00337576

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

Annexure I

Schedules to the Balance Sheet as at March 31, 2022
(Paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 (as updated on June 14, 2022))

In ₹ million

Particulars	March 31, 2022		March 31, 2021	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
Liabilities side:				
1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
a) Debentures	-	-	-	-
Secured	-	-	-	-
Unsecured	-	-	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	-	-	-	-
d) Inter corporate loans and borrowing	-	-	-	-
e) Commercial paper	-	-	-	-
f) Public deposits*	-	-	-	-
f) Other loans	-	-	-	-

In ₹ million

Particulars	March 31, 2022		March 31, 2021	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
2. Break up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):				
a) In the form of Unsecured debentures	-	-	-	-
b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	-	-	-	-

In ₹ million

Assets side :		
3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:	March 31, 2022	March 31, 2021
	Amount outstanding	Amount outstanding
a) Secured	491.1	-
b) Unsecured	-	-

In ₹ million

4. Break-up of leased assets and stock on hire and other assets counting towards AFC activities:	March 31, 2022	March 31, 2021
	Amount outstanding	Amount outstanding
i) Lease assets including lease rentals under sundry debtors:		
a) Financial lease	-	-
b) Operating lease	-	-
ii) Stock on hire including hire charges under sundry debtors:		
a) Assets on hire	-	-
b) Repossessed Assets	-	-
iii) Other loans counting towards AFC activities:		
a) Loans where assets have been repossessed	-	-
b) Loans other than (a) above	-	-

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

In ₹ million

7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):				
Category	March 31, 2022		March 31, 2021	
	Amount net of provisions		Amount net of provisions	
	Market Value	Book Value	Market Value	Book Value
1. Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties*	6,908.7	6,908.7	6,985.5	6,985.5
Total	6,908.7	6,908.7	6,985.5	6,985.5

In ₹ million

8. Other information:		
Category	March 31, 2022	March 31, 2021
	Total	Total
i) Gross Non-Performing Assets		
a) Related parties	-	-
b) Other than related parties	-	-
ii) Net Non-Performing Assets		
a) Related parties	-	-
b) Other than related parties	-	-
iii) Assets acquired in satisfaction of debt	-	-

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

Annexure II

Schedules to the Balance Sheet as at March 31, 2022
(Appendix I of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 – Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies dated November 04, 2019)

a. Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	Number of significant counterparties	Amount (In ₹ million)	% of total deposits	% of total liabilities.
		-	-	-

b. Top 20 large deposits (amount in ₹ crore and % of total deposits)
NIL

c. Top 10 borrowings (amount in ₹ crore and % of total borrowings)
NIL

d. Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product	Amount (In ₹ million)	% of total liabilities.
		-	-

e. Stock Ratios:

a. Commercial papers as a % of total public funds, total liabilities and total assets
NIL

b. Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets.
NIL

c. Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets

Sr No.	Particulars	March 31, 2022	March 31, 2021
1	Other short-term liabilities as % of total public funds	-	-
2	Other short-term liabilities as % of total assets and total liabilities	0.64%	0.81%

f. Institutional set-up for liquidity risk management.

The Company has instituted and adopted the Liquidity risk framework under the Asset Liability Management Committee ("ALCO").

The Company's liquidity risk framework is at-least reviewed annually, or as the market, business and regulatory environment demand.

It is overseen by the Board, Risk Management Committee ("RMC") and ALCO.

Asset Liability Management Support Group, which consist of operating staff from Risk and Finance, analyse/monitor liquidity profile, limits & report to RMC, ALCO and Credit Risk Officer.

Price Waterhouse Chartered Accountants LLP

The Board of Directors
Nomura Capital (India) Private Limited
Cecjay House, Level 11, Plot F,
Shivsagar Estate, Dr, Annie Besant Road,
Worli, Mumbai-400018, India

Auditors' Report on special purpose financial statements

1. This report is issued in accordance with the terms of our agreement dated October 13, 2022.
2. We have audited the accompanying special purpose financial statements of Nomura Capital (India) Private Limited (the "Company") which comprise the Balance Sheet as at August 31, 2022, and the Statement of profit and loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period April 01, 2022 to August 31, 2022, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the special purpose Financial Statements

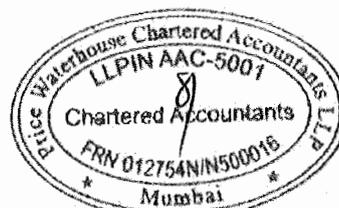
3. Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS 34 'Interim Financial Reporting', notified under Companies (Indian Accounting Standards) Rules, 2015, as amended, specified under Section 133 of the Companies Act, 2013 (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

4. Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the special purpose financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the special purpose financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

7. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying special purpose financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at August 31, 2022;
 - (b) in the case of the Statement of Profit and Loss (including other comprehensive income), of the profit for the period April 01, 2022 to August 31, 2022;



Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai - 400 028
T: +91 (22) 66691500, F: +91 (22) 66547804 / 07

Registered office and Head office: 11-A, Vishnu Digamber Marg, Sucheta Bhawan, Gate No 2, 1st Floor, New Delhi - 110002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/NS00016 (ICAI registration number before conversion was 012754N)

Price Waterhouse Chartered Accountants LLP

Nomura Capital (India) Private Limited
Auditor's Report on Special Purpose Financial Statements
Page 2 of 2

- (c) in the case of the statement of changes in Equity, of the changes in equity for the period April 01, 2022 to August 31, 2022;
- (d) in the case of the Statement of Cash Flows, of the cash flows for the period April 01, 2022 to August 31, 2022.

Emphasis of Matter

- 8. We draw attention to Note 2.1 to the special purpose financial statements, which describes the basis of its preparation. The special purpose financial statements are not the statutory financial statements of the Company, and are not intended to, and do not, comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 2013, as those are considered irrelevant by the Management and the intended users of the special purpose financial statements for the purposes for which those have been prepared. Our opinion is not modified in respect of this matter.

Other Matter

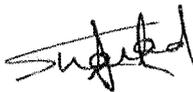
- 9. The special purpose financial statements dealt with by this report, have been prepared for the express purpose of the company's application to be made for listing of its debt securities, in line with applicable regulatory guidelines.
- 10. The corresponding figures in the special purpose financial statements of the Company in the Statement of the profit and loss (including other comprehensive Income), statement of changes in Equity and statement of cash flows are unaudited.

Our opinion is not modified in respect of the above matters.

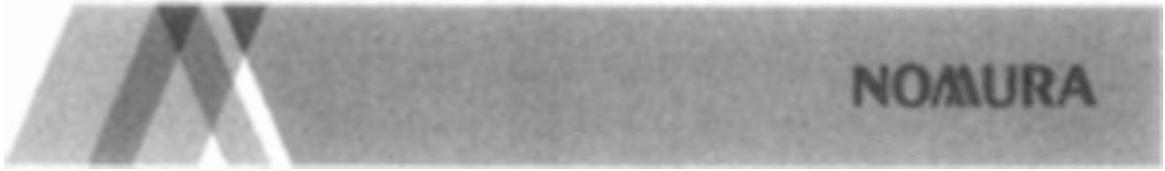
Restriction on Use

- 11. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company.
- 12. This report is addressed to the Board of Directors of the Company and has been prepared for and only for the purposes set out in paragraph 9 above. This report should not be otherwise used or shown to or otherwise distributed to any other party or used for any other purpose except with our prior consent in writing. Price Waterhouse Chartered Accountants LLP neither accepts nor assumes any duty, responsibility or liability to any other party or for any other purpose.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016



Sharad Agarwal
Partner
Membership No. 118522
UDIN : 22118522AZNYOG8413
Place: Mumbai
Date: October 13, 2022



Nomura Capital (India) Private Limited

**Audited financial statements – Period ended
August 31, 2022**

Registered Office : Ceejay House, Level 11, Plot-F, Shivsagar Estate, Dr. Annie Besant Road, Mumbai – 400018.

NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Special Purpose Financial Statements
Balance sheet as at August 31, 2022

	Note	As at August 31, 2022 In ₹ million (Audited)	As at March 31, 2022 In ₹ million (Audited)
Assets			
1. Financial assets			
a. Cash and cash equivalents	4	13.5	11.5
b. Investments	5	6,921.8	6,908.7
c. Loans	6	488.0	491.1
d. Other financial assets	7	189.3	221.7
2. Non-financial assets			
a. Current tax assets (net)	8	93.9	75.2
b. Deferred tax assets (net)		78.6	84.7
c. Property, plant and equipment	9	0.9	0.3
d. Right of use asset	10	45.4	48.7
e. Other intangible assets	9	0.1	0.2
f. Other non-financial assets	11	2.1	1.3
TOTAL		7,833.6	7,843.4
Liabilities and Equity			
Liabilities			
1. Financial liabilities			
a. Lease liabilities	10	53.3	56.0
b. Other financial liabilities	12	21.3	39.2
2. Non financial liabilities			
a. Provisions	13	10.1	8.9
b. Other non-financial liabilities	14	1.6	3.4
		86.3	107.5
Equity			
a. Equity share capital	15	1,300.0	1,300.0
b. Other equity	16	6,447.3	6,435.9
		7,747.3	7,735.9
TOTAL		7,833.6	7,843.4
Summary of significant accounting policies	3		

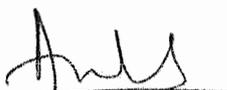
The accompanying notes form an integral part of the financial statements.
This is the balance sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Sharad Agarwal
Partner
Membership No.: 118522
Place: Mumbai
Date: October 13, 2022

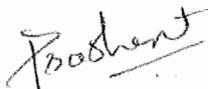
For and on behalf of the Board of Directors of
Nomura Capital (India) Private Limited



Arun Kumar Rajappan
Director
DIN: 07943252



Vipul Chatwani
Director
DIN: 00337576



Prashant Pangam
Chief Financial Officer



Aritree Chaudhuri
Company Secretary
Membership No: A43847
Place: Mumbai
Date: October 13, 2022



NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Special Purpose Financial Statements
Statement of profit and loss for the period April 01, 2022 to August 31, 2022

	Note	Period April 01, 2022 to August 31, 2022 In ₹ million (Audited)	Period April 01, 2021 to August 31, 2021 In ₹ million (Unaudited)
Revenue from operations			
i. Interest income	17	223.3	193.4
ii. Other income	19	5.0	6.2
Total		228.3	199.6
Expenses			
i. Net loss on fair value changes	18	71.0	7.6
ii. Finance costs	20	1.8	2.0
iii. Fees and commission expense	21	0.3	0.4
iv. Impairment on financial instruments	22	54.4	-
v. Employee benefits expenses	23	47.5	34.1
vi. Depreciation, amortization and impairment	24	3.5	3.4
vii. Others expenses	25	33.8	30.3
Total		212.3	77.8
Profit before tax		16.0	121.8
Tax Expense:			
i. Current Tax		-	30.7
ii. Deferred Tax		6.1	-
Total		6.1	30.7
Profit after taxes		9.9	91.1
Other comprehensive income			
i. Items that will not be reclassified to profit or loss			
(a) Remeasurements gain/(loss) of the defined benefit plans		(0.1)	-
ii. Income tax relating to items that will not be reclassified to profit or loss		0.0*	-
Total		(0.1)	-
Total comprehensive income for the period		9.8	91.1
Earnings per equity share (not annualised)			
Basic (₹)		0.08	0.70
Diluted (₹)		0.08	0.70

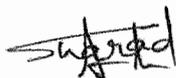
Summary of significant accounting policies

3

*Below the rounding off norms adopted by the Company.

The accompanying notes form an integral part of the financial statements.
This is the statement of profit and loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Sharad Agarwal
Partner
Membership No.: 118522
Place: Mumbai
Date: October 13, 2022

For and on behalf of the Board of Directors of
Nomura Capital (India) Private Limited



Arun Kumar Rajappan
Director
DIN: 07943252



Vipul Chatwani
Director
DIN: 00337576



Prashant Pangam
Chief Financial Officer



Aritree Chaudhuri
Company Secretary
Membership No: A43847
Place: Mumbai
Date: October 13, 2022



NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Special Purpose Financial Statements
Statement of cash flows for the period April 01, 2022 to August 31, 2022

	Period April 01, 2022 to August 31, 2022 in ₹ million (Audited)	Period April 01, 2021 to August 31, 2021 in ₹ million (Unaudited)
Cash flow from operating activities		
Net profit before taxation	16.0	121.8
Adjustments for:		
Amortisation on intangible asset	0.1	0.1
Depreciation on property, plant & equipments	0.2	0.1
Depreciation on right of use asset	3.2	3.2
Interest on lease liabilities	1.8	2.0
Unrealised (profit)/loss on corporate bonds	38.4	14.6
Impairment on financial instruments [measured at amortised cost]	54.4	-
Recognition of stock appreciation right payments to employees	1.6	1.4
Actuarial gain/(loss) on defined benefit plans	(0.1)	-
Operating profit / (loss) before working capital changes	115.6	143.2
Changes in working capital :		
Decrease / (Increase) in investments	(102.9)	(289.0)
(Increase) / Decrease in loans	0.0*	-
Decrease / (Increase) in other financial assets	32.4	189.9
(Increase) / Decrease in other non-financial assets	(0.8)	(1.9)
(Decrease) / Increase in other financial liabilities	(19.5)	(31.0)
(Decrease) / Increase in provisions	1.2	0.1
(Decrease) / increase in other non-financial liabilities	(1.7)	(1.6)
Cash generated from operations	24.3	9.9
Payment of taxes (net of refunds)	(16.9)	(9.4)
Net cash inflow from operating activities (A)	7.4	0.5
Cash flow from investing activities		
Sale / (Purchase) of property, plant and equipment	(0.9)	-
Net cash outflow from investing activities (B)	(0.9)	-
Cash flow from financing activities		
Principal element of lease payment	(4.5)	(4.5)
Net cash outflow from financing activities (C)	(4.5)	(4.5)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	2.0	(4.0)
Cash and cash equivalents at the beginning of the period	11.5	8.3
Cash and cash equivalents at the end of the period	13.5	4.3

Non-cash investing activities

Acquisition of right of use asset

Cash and cash equivalents comprises of:

Balances in Bank

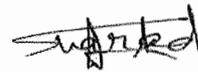
13.5

4.3

*Below the rounding off norms adopted by the Company.

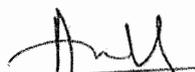
The accompanying notes form an integral part of the financial statements.
This is the statement of cash flows referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754NN/500016

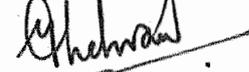


Sherad Agarwal
Partner
Membership No.: 118522
Place: Mumbai
Date: October 13, 2022

For and on behalf of the Board of Directors of
Nomura Capital (India) Private Limited



Arun Kumar Rajappan
Director
DIN: 07943252



Vipul Chatwani
Director
DIN: 00337576



Prashant Pangam
Chief Financial Officer



Arifree Chaudhuri
Company Secretary
Membership No: A43847
Place: Mumbai



NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Special Purpose Financial Statements
Statement of cash flows for the period April 01, 2022 to August 31, 2022

a. Equity share capital

	As at August 31, 2022 (Audited)		As at August 31, 2021 (Unaudited)	
	No. of Shares	In ₹ million	No. of Shares	In ₹ million
Balance at the beginning of the period	130,000,000	1,300.0	130,000,000	1,300.0
Changes in equity share capital during the period	-	-	-	-
Balance at the end of the period	130,000,000	1,300.0	130,000,000	1,300.0

b. Other equity

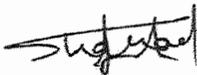
Particulars	Reserves and surplus			Others	Total
	Securities premium	Statutory reserve	Retained earnings	Contribution from ultimate parent - Stock appreciation rights reserve	
Balance at April 01, 2021	3,247.9	593.6	2,364.6	9.4	6,215.5
Profit for the period	-	-	91.1	-	91.1
Other comprehensive income	-	-	-	-	-
Transfer (from)/to statutory reserve	-	-	-	-	-
Stock appreciation rights expense	-	-	-	1.5	1.5
Balance at August 31, 2021 (Unaudited)	3,247.9	593.6	2,455.7	10.9	6,308.1
Balance at April 01, 2022	3,247.9	637.5	2,539.6	10.9	6,435.9
Profit for the period	-	-	9.9	-	9.9
Other comprehensive income	-	-	(0.1)	-	(0.1)
Transfer (from)/to statutory reserve*	-	-	-	-	-
Stock appreciation rights expense	-	-	-	1.6	1.6
Balance at August 31, 2022 (Audited)	3,247.9	637.5	2,549.4	12.5	6,447.3

The accompanying notes forms an integral part of financial statements.

This is the statement of changes in equity referred to in our report of even date

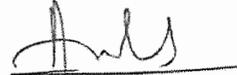
* Transfer to Statutory reserve under section 45IC of Reserve Bank of India Act, 1934 will be done at the end of the year

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Sharad Agarwal
Partner
Membership No.: 118522
Place: Mumbai
Date: October 13, 2022

For and on behalf of the Board of Directors of
Nomura Capital (India) Private Limited



Arun Kumar Rajappan
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Prashant Pangam
Chief Financial Officer



Aritree Chaudhuri
Company Secretary
Membership No: A43847
Place: Mumbai
Date: October 13, 2022



NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Special Purpose Financial Statements
Notes to Financial Statements for the period April 1, 2022 to August 31, 2022

1. Corporate Information

Nomura Capital (India) Private Limited (the "Company") is a company domiciled in India with its registered office situated at Ceejay House, Level 11, Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

The Company was incorporated on August 04, 2009. The Company is a subsidiary of Nomura Asia Investment (Fixed Income) Pte. Ltd., a Company incorporated in Singapore.

The Company received the Certificate of Registration on April 28, 2010 from Department of Non-banking Supervision ("DNBS") of the Reserve Bank of India ("RBI") to commence the business of non-banking financial institution.

The Company is primarily engaged in lending and investing activities.

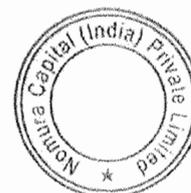
The financial statements for the period April 1, 2022 to August 31, 2022 were approved by the Company's Board of Directors on October 13, 2022.

2. Basis of preparation

2.1 Basis of preparation of accounting policy for the special purpose accounts :

The special purpose financial statements comply with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act, to the extent considered relevant by it for the purpose for which these special purpose financial statements. The special purpose financial statements are not the statutory financial statements of the Company, and are not intended to, and do not, comply with the disclosure provisions applicable to statutory financial statements prepared under the Ind AS notified under Section 133 of the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements, wherever applicable. The Company is covered in the definition of Non-Banking Financial Company ("NBFC") as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2018, the Company presents its balance sheet in the order of liquidity. This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. The special purpose financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the special purpose financial statements.

The special purpose financial statements have been prepared for submission to SEBI as required under SEBI/HO/DDHS/DDHS/CIR/P/2019/115 and SEBI/LAD-NRO/GN/2021/39.



NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Special Purpose Financial Statements
Notes to Financial Statements for the period April 1, 2022 to August 31, 2022

2.2 Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities - measured at fair value;
- defined benefit plans assets - measured at fair value and
- share-based payments - measured at fair value

2.3 Use of judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities and disclosures of contingent assets and liabilities as on the date of the financial statements and the income and expense for the reporting period. The actual results could differ based on these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Certain of the Company's accounting policies require critical accounting estimates that involve subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. The policies that involve critical accounting estimates include fair valuation of financial instruments, impairment of non-financial assets and deferred tax. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

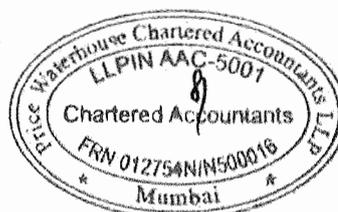
Critical estimates and judgments made under Ind AS are:

- a. Business model assessment and fair value of financial instruments.
- b. Estimation of expected credit losses.
- c. Estimation of defined benefits obligation.
- d. Estimation of current tax expense and current tax payable.
- e. Estimation of deferred tax assets.

3. Significant Accounting Policies

3.1 Foreign currency translations

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Indian rupee ("₹"), which is Company's functional and presentation currency. Except as otherwise indicated, financial statements presented in Indian rupee has been rounded to the nearest million with one decimal.



NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Special Purpose Financial Statements
Notes to Financial Statements for the period April 1, 2022 to August 31, 2022

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit and Loss.

All foreign exchange gains and losses are presented in the Statement of Profit and Loss.

3.2 Income taxes

Tax expense comprises current income tax and deferred income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the period.

Deferred income tax is measured based on the tax rates and the tax regulations enacted or substantively enacted at the balance sheet date. Deferred income tax assets are recognised only to the extent that there are sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realised.

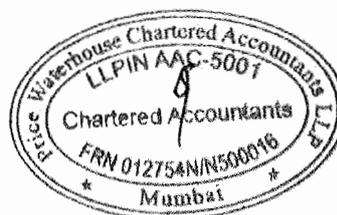
Deferred tax assets and liabilities are off set when there is a legally enforceable right to offset current tax assets with liabilities and when deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income ("OCI") or directly in equity. In this case, tax is also recognised in OCI or directly in equity, respectively

3.3 Goods and Service tax ("GST") on acquisition of assets and services

Expenses and assets are recognised net of the GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included.



NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Special Purpose Financial Statements
Notes to Financial Statements for the period April 1, 2022 to August 31, 2022

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payable in the balance sheet.

3.4 Leases

Nomura Financial Advisory and Securities (India) Private Limited ("NFASI"), the Company's group company, has entered into lease agreement for office space. Of this, some area is occupied by the other group company i.e. Nomura Fixed Income Securities Private Limited ("NFIS") and the Company.

Leases where the Company is lessee:

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Contracts may contain both lease and non-lease components. The Company will allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate, for which the company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- a. fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- b. payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate ("IBR") is used. IBR is the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company, where possible, uses recent third-party financing received by the lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Right-of-use assets are measured at cost comprising the following:

- a. the amount of the initial measurement of lease liability,
- b. any lease payments made at or before the commencement date less any lease incentives received,
- c. any initial direct costs, and
- d. restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain



NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Special Purpose Financial Statements
Notes to Financial Statements for the period April 1, 2022 to August 31, 2022

to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

3.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand balances and short term deposits with other banks and other short-term, highly liquid investments with original maturities of three months or less which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.6 Financial Instruments

a. Financial assets

i. Initial recognition and measurement

Purchase and sale of financial assets are recognised on trade date, the date on which the Company commits to purchase or sell a financial asset.

At initial recognition, the Company measures a financial asset at its fair value.

ii. Subsequent measurement

Subsequent measurement of financial assets depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

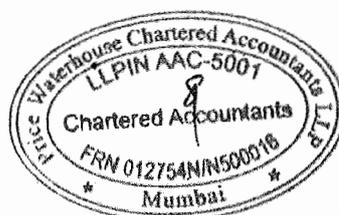
There are three measurement categories into which the Company classifies its financial asset - debt instruments:

• Financial assets at amortised costs

Financial assets are classified under this category if the asset fulfills both the below mentioned conditions:

- a. The assets are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Any gain or loss arising on de-recognition is recognised directly in Statement of Profit and Loss. Impairment losses are presented as separate line item in the Statement of Profit and Loss. Interest income from these financial assets is included using the effective interest rate method ("EIR").



NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Special Purpose Financial Statements
Notes to Financial Statements for the period April 1, 2022 to August 31, 2022

- **Financial assets at fair value through other comprehensive income ("FVOCI")**

Financial asset is measured at FVOCI when both of the following conditions are met:

- a. The instrument is held within a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets;
- b. The contractual terms of the financial asset meet the SPPI test.

When the financial asset is de-recognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss. Interest income from these financial assets is included using the effective interest rate method ("EIR").

- **Financial Assets at fair value through profit or loss ("FVTPL")**

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in Statement of Profit and Loss and presented net within Net gain/loss on fair value changes in the period in which it arises. Interest income from these financial assets is included using the effective interest rate method ("EIR").

Transaction costs of financial assets are expensed in Statement Profit and Loss.

iii. Impairment of financial assets

- **Overview of Expected Credit Loss ("ECL") principles**

The Company records allowance for expected credit losses for all loans, other debt financial assets, not measured at FVTPL, in this section all referred to as "financial instruments". Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on 12 months' expected credit loss; unless there has been significant increase in credit risk since origination, in which case, the allowance is based on the lifetime expected credit loss.

Lifetime expected credit losses represent expected credit losses that would result from all possible default events over the expected life of the financial asset whereas 12 month expected credit losses are those life expected credit losses expected to occur within 12 months of balance sheet date.

Both lifetime ECLs and 12-month ECLs are calculated on an individual basis depending on the nature of the underlying portfolio of financial instruments.



NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Special Purpose Financial Statements
Notes to Financial Statements for the period April 1, 2022 to August 31, 2022

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above, the Company categories its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1 – Performing financial assets for which there has been no significant deterioration in credit quality since initial recognition;

Stage 2 – Underperforming financial assets for which there has been a significant deterioration in credit quality since initial recognition but which are not credit-impaired; and

Stage 3 – Non-performing financial assets for which there has been a significant deterioration in credit quality since initial recognition and which have become credit-impaired.

For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the EIR to the amortised cost (net of provision) rather than the gross carrying amount.

If an event (for e.g. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

In case internal Nomura credit rating is not available for stage 1 assets, which are performing, then lowest rating of performing assets shall be used for the purposes of ECL calculation on a conservative basis.

- **Credit-impaired financial asset**

A financial asset is considered credit impaired when an obligor fails to make payments in full and on time of any financial obligations, markedly disadvantageous modification to a contractual term compared with the existing obligation, bankruptcy filings, administration, receivership, liquidation or other winding-up or cessation of business of an obligor or other similar situations.

At each reporting date, the Company assesses whether financial instruments are credit-impaired.

- **ECL methodology**

The measurement of expected credit losses through the general ECL impairment model is typically determined using loss rate models or discounted cash flow models depending on the relevant staging of the financial instrument.



NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Special Purpose Financial Statements
Notes to Financial Statements for the period April 1, 2022 to August 31, 2022

A loss rate model measures ECL for an individual or portfolio of similar financial instruments through development of loss rates calculated through an estimate of the probability of default ("PD") of the obligor and loss given default ("LGD") which is applied to the expected credit exposure of the obligor at default ("CEAD").

- **Forward looking estimate**

While estimating the ECL, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses the relationship between key economic trends with the estimate of PD.

- **Probability of default**

The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 27.

- **Loss given default**

Loss given default inputs are determined by class of financial instrument based on historical experience of loss and recovery rates for similar financial instruments and other relevant industry data. Where appropriate, LGD inputs are adjusted to reflect the impact of collateral and other integral credit enhancements.

- **Exposure at default**

The exposure at default is an estimate of the exposure at a future default date.

- **Write off of loan assets**

Credit-impaired financial asset individually assessed for impairment are typically written-off when further cash flows are deemed uncollectible and when all commercially reasonable means of recovering outstanding principle and interest balances have been exhausted. Such a determination is based on factors such as the occurrence of significant changes in the obligor's financial position such that the obligor can no longer pay the obligation, or that the proceeds from collateral will not be sufficient to pay amounts due.

- The provision calculated using the ECL model is compared with the prudential guidelines issued by RBI and higher of the two is provided in the books of account.



NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Special Purpose Financial Statements
Notes to Financial Statements for the period April 1, 2022 to August 31, 2022

iv. Derecognition of financial assets

A financial asset is de recognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset; or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

The difference between the carrying value of the original financial asset and the consideration is recognised in Statement of Profit and Loss.

b. Financial liabilities

a. Initial recognition and measurement

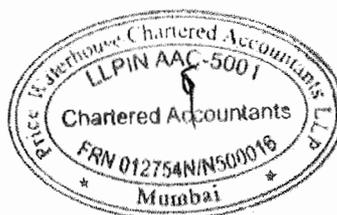
Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

Trade payables amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. They are recognised initially at their fair value.

b. Subsequent measurement

The subsequent measurement of financial liabilities depends on their classifications as follows:



NOMURA CAPITAL (INDIA) PRIVATE LIMITED
Special Purpose Financial Statements
Notes to Financial Statements for the period April 1, 2022 to August 31, 2022

- **Financial liabilities at fair value through profit or loss**
Liabilities classified under fair value through profit or loss includes financial liabilities held-for-trading and financial liabilities designated at fair value through Statement of Profit and Loss.

Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships.

Subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in Statement of Profit and Loss.

- **Financial liabilities at amortised cost**
Financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process. Trade and other payables measured at amortised cost using the EIR method.

c. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

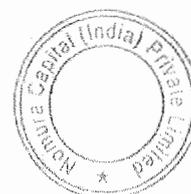
The difference between the carrying value of the original financial liability and the consideration is recognised in Statement of Profit and Loss.

3.7 Fair value measurement

Fair value is the price that would be received, to sell an asset, or paid, to transfer a liability, in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell an asset or transfer a liability would take place either:

- a) In the principal market for an asset or liability or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.



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The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

Level 1: The financial instrument which is measured at a quoted price. Also includes application money pending allotment on the reporting date.

Level 2: The financial instrument that is not quoted in an active market. Such instrument is measured using various valuation techniques. The inputs for these valuation techniques are:

- a) Quoted price of similar instrument in an active market;
- b) Quoted price of identical or similar instrument in a market that is not active;
- c) Inputs other than quoted price that are observable for an instrument (e.g. yield curves, credit spreads, implied volatilities, etc.);
- d) Market-corroborated inputs.

Level 3: The financial instrument for which one or more significant inputs are not based on observable market data.

3.8 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realised the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

3.9 Derivative financial instruments

A derivative is a financial instrument or other contract with all three of the following characteristics:

- a. Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- b. It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- c. It is settled at a future date.

3.10 Property, plant and equipment

a. Tangible assets

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable cost of bringing the item to its working condition for its intended use



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and estimated costs of dismantling and removing the item and restoring the site on which it is located, after deducting trade discounts and rebates.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation on property, plant and equipment is calculated on a straight line basis using the rates arrived at, based on the useful lives estimated by the management and which is in line with the rates indicated under Schedule II of the Companies Act, 2013. Depreciation is provided from the month of acquisition of property, plant and equipment.

The management has used the following estimates of useful life to provide depreciation on its property, plant and equipment:

Asset type	Useful life estimated by management
Office Equipment*	5 years
Computer and Allied Equipment*	3 years

*The useful life of the assets are based on historical experience and evaluation of the Company, which is different from the useful life as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on property, plant and equipment, individually costing less than ₹25,000 is fully provided in the year of acquisition, as per management estimate.

b. Intangible assets

i. Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

iii. Amortisation

Intangible assets are amortised on a straight line basis over the estimated useful economic life. The estimated useful lives are as follows:



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Asset	Useful life (years)
Software	3 years

The amortisation period and the amortisation method are reviewed at each financial yearend. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

3.11 Revenue Recognition

(i) Trading gains and losses (as per Ind AS 109):

Trading income includes all gains and losses from changes in fair value for financial assets and financial liabilities held for trading. Gains and losses on sale of securities are recognized on trade date basis.

(ii) Interest income on investments (as per Ind AS 109):

Interest incomes of investments classified as FVTPL and amortised are recognised on EIR basis. It is recognized on accrual basis and based on time apportioned, taking into account the amount outstanding and the rate applicable.

(iii) Interest income on loans and advances (as per Ind AS 109):

For all financial instruments measured at amortised cost, interest income is recorded using the EIR, which is the rate that discounts the estimated future receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

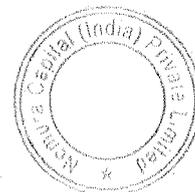
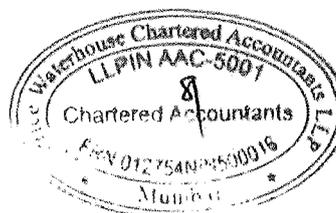
EIR in case of a financial asset is computed:

- As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- By considering all the contractual terms of the financial instrument in estimating the cash flows.

Including all fees received between parties to the contract that are an integral part of the EIR method, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows are recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the EIR method to the net amortised cost (net of provision) of the financial asset.



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3.12 Employee benefits

i. Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified short-term employee benefits and they are recognised in the year in which the employee renders the related services. For the amount expected to be paid, the Company recognises an undiscounted liability if they have a present legal or constructive obligation to pay the amount as a result of past service provided by employees, and the obligation can be estimated reliably.

ii. Defined benefit plan

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in the other comprehensive income. They are included in the retained earnings under Other Equity on the balance sheet.

iii. Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered Provident Fund Scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions are due. The Company has no other obligations other than the contribution payable to the respective provident funds.

iv. Other employee benefits plan

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognizes the charge to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on valuation by an independent actuary. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit and leave expected to be carried forward beyond 12 months, as long term employee benefit.



v. Share based payments

Cash benefit plans

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period the employees unconditionally become entitled to payment. The liability is measured at the end of each reporting date up to and including settlement date, with changes in the fair value recognised as salaries, wages and bonus in Statement of Profit and Loss.

3.13 Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed and disclosed as contingent liability.

3.14 Segment Reporting

i. Basis for segmentation

An operating segment is a component of the company that engages in business activities from which it may earn and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components and for which discrete financial information is available. Such decision is taken by Chief Operating Decision Maker (CODM).

ii. Business segment

The Company's operations fall under single business segment. Further, all the transactions and the assets of the Company are recorded and located in India. Since the Company's current business activity primarily falls within a single business and geographical segment, no additional disclosure is to be provided



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under Ind AS 108 – Segment Reporting, other than those already provided in the financial statements.

iii. Geographical segment

The Company's business is primarily within India. Hence no separate geographical disclosure is considered necessary.

3.15 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3.16 Contributed equity

Equity shares are classified as equity.
Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity.

3.17 Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.



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	As at August 31, 2022 In ₹ million (Audited)	As at March 31, 2022 In ₹ million (Audited)
4. Cash and cash equivalents		
Balances with banks	13.5	11.5
	13.5	11.5

5. Investments

		In ₹ million	
		Amortised Cost	At fair value Through profit and loss
As at August 31, 2022			
Debt securities - Corporate bonds		1,903.6	4,641.9
Mutual Funds			427.6
	A	1,903.6	5,069.5
i. Investments in India		1,903.6	5,069.5
ii. Investments outside India	B	-	-
		1,903.6	5,069.5
Less : Impairment loss allowance	C	(51.3)	-
		(51.3)	-
	A-C	1,852.3	5,069.5
	TOTAL	6,921.8	6,921.8
As at March 31, 2022			
Debt securities - Corporate bonds		-	6,183.8
Mutual Funds			724.9
	A	-	6,908.7
i. Investments in India		-	6,908.7
ii. Investments outside India	B	-	-
		-	6,908.7
Less : Impairment loss allowance	C	-	-
		-	-
	A-C	-	6,908.7
	TOTAL	6,908.7	6,908.7

	As at August 31, 2022 In ₹ million (Audited)	As at March 31, 2022 In ₹ million (Audited)
6. Loans (At amortized cost)		
Term Loans	515.0	515.0
Less : Impairment loss allowance	(27.0)	(23.9)
Receivable considered good - unsecured	-	-
	488.0	491.1
i. Secured by tangible assets*	515.0	515.0
ii. Secured by intangible assets	-	-
iii. Covered by banks/government guarantees	-	-
iv. Unsecured	-	-
	515.0	515.0
i. Loans in India		
Edelweiss Alternative Asset Advisors Limited	515.0	515.0
Less: Impairment loss allowance	(27.0)	(23.9)
	488.0	491.1
ii. Loans outside India	-	-
Less : Impairment loss allowance	-	-
	-	-
	A+B	488.0
		491.1

7. Other financial assets

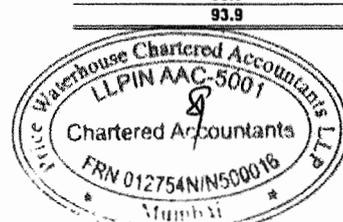
Measured at amortised cost

i. Interest accrued on investments	188.2	194.5
ii. Receivable from group companies	1.1	27.2
	189.3	221.7

8. Current tax assets (net)

Advance tax (net of provision for income tax August 31, 2022 ₹ 1,538.8 million,
March 31, 2022 ₹ 1,538.8million)

93.9	75.2
93.9	75.2



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9. Property, plant and equipment and other intangible assets

Particulars	Gross block			Depreciation/Amortisation				Net carrying amount as at August 31, 2022 (Audited)
	As at April 01, 2022	Additions	Disposals	As at August 31, 2022	Opening Balance as at April 1, 2022	For the period	Disposals	
a. Property, plant and equipment								
Computer and allied equipments	0.6	0.9	-	1.5	0.3	0.3	-	0.6
Total	0.6	0.9	-	1.5	0.3	0.3	-	0.6
a. Other intangible assets								
Computer software	1.0	-	-	1.0	0.8	0.1	-	0.9
Total	1.0	-	-	1.0	0.8	0.1	-	0.9

In ₹ million

Particulars	Gross block			Depreciation/Amortisation				Net carrying amount as at March 31, 2022 (Audited)
	As at April 1, 2021	Additions	Disposals	As at March 31, 2022	Opening Balance as at April 1, 2021	For the year	Disposals	
a. Property, plant and equipment								
Computer and allied equipments	0.6	-	-	0.6	0.1	0.2	-	0.3
Total	0.6	-	-	0.6	0.1	0.2	-	0.3
a. Other intangible assets								
Computer software	1.0	-	-	1.0	0.6	0.2	-	0.8
Total	1.0	-	-	1.0	0.6	0.2	-	0.8

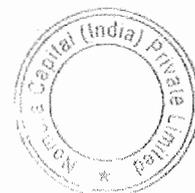
In ₹ million



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Notes to accounts for the period April 01, 2022 to August 31, 2022

	As at August 31, 2022 In ₹ million (Audited)	As at March 31, 2022 In ₹ million (Audited)
10. Leases		
Right of use assets: Building	48.7	56.5
Add: Addition during the period	-	-
Less: Depreciation for the period	(3.3)	(7.8)
	<u>45.4</u>	<u>48.7</u>
Lease liabilities	56.0	62.3
Add: Interest for the period	1.8	4.5
Less: Rent paid during the period	(4.5)	(10.8)
	<u>53.3</u>	<u>56.0</u>
11. Other non-financial assets		
Prepaid expenses	2.1	1.3
Goods and service tax receivable	14.5	12.9
Less : Provision on Goods and service tax receivable	(14.5)	(12.9)
	<u>2.1</u>	<u>1.3</u>
12. Other financial liabilities		
Employee benefits payable	14.8	33.4
Other payables	6.5	5.8
	<u>21.3</u>	<u>39.2</u>
13. Provisions		
Provision for gratuity	4.2	3.7
Provision for compensated absences	5.9	5.2
	<u>10.1</u>	<u>8.9</u>
14. Other non-financial liabilities		
Statutory dues payable	1.6	3.4
	<u>1.6</u>	<u>3.4</u>



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	As at August 31, 2022 In ₹ million (Audited)	As at March 31, 2022 In ₹ million (Audited)
15. Share capital		
Authorised :		
130,000,000 (as at August 31, 2022 130,000,000) equity shares of ₹ 10/- each	1,300.0	1,300.0
Issued, subscribed and paid up :		
130,000,000 (as at August 31, 2022 130,000,000) equity shares of ₹ 10/- each	1,300.0	1,300.0

A. Reconciliation of the shares outstanding at the beginning and at the end of the period :

	August 31, 2022*		March 31, 2022*	
	No.	In ₹ million	No.	In ₹ million
Balance as at the beginning of the period	130,000,000.0	1,300.0	130,000,000.0	1,300.0
Add : Issued during the period	-	-	-	-
Balance as at the end of the period	130,000,000.0	1,300.0	130,000,000.0	1,300.0

* 1 equity share held by Nomura Asia Pacific Holdings Co. Ltd. in trust for Nomura Asia Investments (Fixed Income) Pte. Ltd.

B. Rights, preferences and restrictions attached to shares :

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held.

C. Shares held by holding company :

	August 31, 2022*		March 31, 2022*	
	No.	%	No.	%
Nomura Asia Investments (Fixed Income) Pte. Ltd., the holding company	130,000,000.0	100.0	130,000,000.0	100.0

* 1 equity share held by Nomura Asia Pacific Holdings Co. Ltd. in trust for Nomura Asia Investments (Fixed Income) Pte. Ltd.

D. Shares held by promoter :

	August 31, 2022*		March 31, 2022*	
	No.	%	No.	%
Nomura Asia Investments (Fixed Income) Pte. Ltd., the holding company	130,000,000.0	100.0	130,000,000.0	100.0

* 1 equity share held by Nomura Asia Pacific Holdings Co. Ltd. in trust for Nomura Asia Investments (Fixed Income) Pte. Ltd.

Note: There are no changes to the promoter holding during the period

E. Details of shareholders holding more than 5% shares in the company

	August 31, 2022*		March 31, 2022*	
	No.	%	No.	%
Nomura Asia Investments (Fixed Income) Pte. Ltd., the holding company	130,000,000.0	100.0	130,000,000.0	100.0

* 1 equity share held by Nomura Asia Pacific Holdings Co. Ltd. in trust for Nomura Asia Investments (Fixed Income) Pte. Ltd.

	As at August 31, 2022 In ₹ million (Audited)	As at March 31, 2022 In ₹ million (Audited)
16. Other equity		
<u>a. Securities premium</u>		
Opening balance	3,247.9	3,247.9
Additions during the period	-	-
Closing balance	3,247.9	3,247.9
<u>b. Stock appreciation rights reserve</u>		
Opening balance	10.9	9.4
Additions during the period	1.6	1.5
Closing balance	12.5	10.9
<u>c. Statutory reserve</u>		
Opening balance	637.5	593.6
Additions during the period	-	43.9
Closing balance	637.5	637.5
<u>d. Retained earnings</u>		
Opening balance	2,539.6	2,364.6
Total comprehensive income for the period	9.8	218.9
Transfer to statutory reserve*	-	(43.9)
Closing balance	2,549.4	2,539.6
A+B+C+D	6,447.3	6,435.9

Nature and purpose of reserves

a. Securities premium

Securities premium reserve is used to record premium received on issue of shares. The reserves can be utilised only for limited purposes, in accordance with the provisions of the Companies Act, 2013.

b. Stock appreciation rights reserve

Stock appreciation rights reserve is stock appreciation rights allotted to certain categories of employees of the company by Nomura Holdings Inc. (ultimate parent).

c. Statutory reserve

Statutory reserve is reserve maintained under section 45-IC of the Reserve Bank of India Act, 1934.

* Transfer to Statutory reserve under section 45IC of Reserve Bank of India Act, 1934 will be done at the end of the year.



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17. Interest income	For the period April 01, 2022 to August 31, 2022 (Audited)		(In ₹ million)
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total
Interest on loans	25.7	-	25.7
Interest income from investments	38.7	158.9	197.6
	64.4	158.9	223.3

	For the period April 01, 2021 to August 31, 2021 (Unaudited)		(In ₹ million)
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total
Interest on loans	-	-	-
Interest income from investments	-	193.4	193.4
	-	193.4	193.4

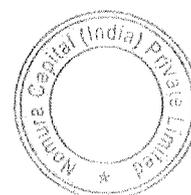
	Period April 01, 2022 to August 31, 2022 In ₹ million (Audited)	Period April 01, 2021 to August 31, 2021 In ₹ million (Unaudited)
18. Net loss on fair value changes		
Net loss on financial instruments at fair value through profit or loss		
i. On trading portfolio		
- Investments	A	(71.0)
		(7.6)
Others	B	-
	A+B	(7.6)
Fair value changes		
i. Realised		(32.6)
ii. Unrealised		(38.4)
		(71.0)
19. Other Income		
i. Recharge to group companies		5.0
iii. Others		-
		5.0
20. Finance cost [measured at amortised cost]		
i. Interest on lease liabilities		1.8
		1.8
21. Fees and commission expense		
i. Brokerage		0.2
ii. Custodian, depository and clearing charges		0.1
		0.3



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	Period April 01, 2022 to August 31, 2022 In ₹ million (Audited)	Period April 01, 2021 to August 31, 2021 In ₹ million (Unaudited)
22. Impairment on financial instruments [measured at amortised cost]		
i. Loans	3.1	-
ii. Investments	51.3	-
	54.4	-
23. Employee benefits expense		
i. Salaries and wages	42.5	30.9
ii. Contribution to provident and other funds	1.6	-
iii. Stock appreciation rights payment to employees	1.6	1.4
iv. Staff welfare expenses	1.3	0.4
v. Gratuity	0.5	1.4
	47.5	34.1
24. Depreciation, amortization and impairment		
i. Depreciation on property, plant & equipments	0.2	0.1
ii. Depreciation on right to use assets (Refer note 10)	3.2	3.2
iii. Amortisation of intangible assets	0.1	0.1
	3.5	3.4
25. Other expenses		
i. Rent, taxes and energy costs	0.5	0.8
ii. Repairs and maintenance	2.7	0.8
iii. Auditor's fees and expenses*	1.7	-
iv. Legal and professional charges	7.7	8.5
v. Corporate social responsibility	6.4	8.8
vi. Support cost recharge	10.0	8.0
vii. Market data expense	1.0	2.0
viii. Provision on GST Asset	1.6	0.0
ix. Communication costs	-	0.0*
x. Other expenditure	2.2	1.4
	33.8	30.3

*Below the rounding off norms adopted by the Company.



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26. Fair value of financial instruments

1. Fair valuation

Fair value is the price that would be received, to sell an asset, or paid, to transfer a liability, in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell an asset or transfer a liability would take place either:

- a) In the principal market for an asset or liability or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

Level 1: The financial instrument which is measured at a quoted price. This category includes corporate bonds quoted by Fixed Income Money Market and Derivatives Association of India ("FIMMDA") and application money pending allotment at the reporting date.

Level 2: The financial instrument that is not quoted in an active market. Such instrument is measured using various valuation techniques. The inputs for these valuation techniques are : a) quoted price of similar instrument in an active market, b) quoted price of identical or similar instrument in a market that is not active, c) inputs other than quoted price that are observable for an instrument (e.g. yield curves, credit spreads, implied volatilities, etc.), d) market-corroborated inputs. This category includes corporate bonds not quoted by FIMMDA.

Level 3: The financial instrument for which one or more significant inputs are not based on observable market data.

2. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following tables show the classification of the financial assets and liabilities:

As at August 31, 2022

In ₹ million

Particulars	Carrying amount			
	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Cash and cash equivalents	-	-	13.5	13.5
Receivables				
- Trade receivables	-	-	-	-
Investments	5,069.5	-	1,852.3	6,921.8
Loans	-	-	488.0	488.0
Other financial assets	-	-	189.3	189.3
	5,069.5	-	2,543.1	7,612.6
Financial liabilities				
Lease liability	-	-	53.3	53.3
Other financial liabilities	-	-	21.3	21.3
	-	-	74.6	74.6



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As at March 31, 2022

In ₹ million

Particulars	Carrying amount			Total
	FVTPL	FVTOCI	Amortised Cost	
Financial assets				
Cash and cash equivalents	-	-	11.5	11.5
Receivables				
- Trade receivables	-	-	-	-
Investments	6,908.7	-	-	6,908.7
Loans	-	-	491.1	491.1
Other financial assets	-	-	221.7	221.7
	6,908.7	-	724.3	7,633.0
Financial liabilities				
Lease liability	-	-	56.0	56.0
Other financial liabilities	-	-	39.2	39.2
	-	-	95.2	95.2

The following tables show the fair value hierarchy of the financial assets and liabilities measured at fair value:

As at August 31, 2022

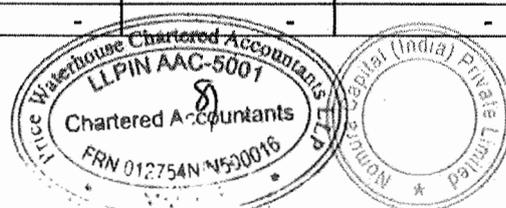
In ₹ million

Particulars	Fair values			Total
	Level 1	Level 2	Level 3	
Financial assets				
Cash and cash equivalents	-	-	-	-
Receivables				
- Trade receivables	-	-	-	-
Loans	-	-	-	-
Investments	1,816.4	3,003.1	250.0	5,069.6
Other financial assets	-	-	-	-
	1,816.4	3,003.1	250.0	5,069.6
Financial liabilities				
Lease liability	-	-	-	-
Other financial liabilities	-	-	-	-
	-	-	-	-

As at March 31, 2022

In ₹ million

Particulars	Fair values			Total
	Level 1	Level 2	Level 3	
Financial assets				
Cash and cash equivalents	-	-	-	-
Receivables				
- Trade receivables	-	-	-	-
Loans	-	-	-	-
Investments	5,323.4	1,335.3	250.0	6,908.7
Other financial assets	-	-	-	-
	5,323.4	1,335.3	250.0	6,908.7
Financial liabilities				
Lease liability	-	-	-	-
Other financial liabilities	-	-	-	-
	-	-	-	-



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Notes to Financial Statements for the period April 01, 2022 to August 31, 2022

There has been no transfer of above financial asset/liability from level 1 to level 2 and from level 2 to level 1.

B. Measurement of fair values

Corporate bonds

Quoted corporate bonds are fair valued using weighted average market price published by FIMMDA which aggregate the price at which the corporate bonds have traded on the recognised exchanges (with minimum ₹ 50 million turnover and 1 trade) over the last 15 calendar days. If the corporate bonds have not traded on any recognised exchange over the last 15 calendar days, then the price is derived using a financial calculator published by FIMMDA.

The following tables show the valuation techniques used in measuring Level 2 fair values, for financial instrument measured at fair value in the statement of financial position:

Financial instruments measured at fair value:

As at August 31, 2022 In ₹ million

Type	Fair Value	Valuation technique	Significant observable inputs
Corporate bonds	3,003.1	Discounted cash flow	Rating based spread

As at March 31, 2022 In ₹ million

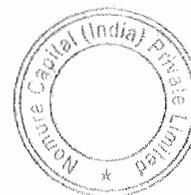
Type	Fair Value	Valuation technique	Significant observable inputs
Corporate bonds	1,335.3	Discounted cash flow	Rating based spread

C. Movements in Level 3 financial instruments measured at fair value

The following table show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value.

As at August 31, 2022 In ₹ million

Particulars	As at April 1, 2022	Allotment/ (Redemption)	Transfer into Level 3	As at August 31, 2022	Unrealised gains and (losses)
Investments					
Corporate bonds	-	-	-	-	-
Compulsory Convertible Debentures	250.0	-	-	250.0	-
Total	250.0	-	-	250.0	-



NOMURA CAPITAL (INDIA) PRIVATE LIMITED**Special Purpose Financial Statements****Notes to Financial Statements for the period April 01, 2022 to August 31, 2022**

As at March 31, 2022					In ₹ million
Particulars	As at April 1, 2021	Allotment/ (Redemption)	Transfer into Level 3	As at March 31, 2022	Unrealised gains and (losses)
Investments					
Corporate bonds	200.0	(200.0)	-	-	-
Compulsory Convertible Debentures	-	250.0	-	250.0	-
Total	200.0	50.0	-	250.0	-

D. Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

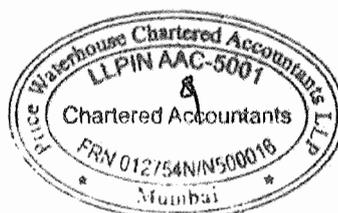
As at August 31, 2022, investment in unquoted Compulsorily Convertible Debentures (CCD's) and Non-convertible Debentures (NCDs) held till maturity are classified as level 3 asset as there are no observable inputs available to measure it. The conversion of CCD's to fully paid equity shares depend on the happening of certain events, which is uncertain as on balance sheet date, the amount of investment made represents the best estimate of the fair value.

E. Quantitative analysis of significant unobservable input**a. Recovery rates:**

Recovery rates reflect the estimated loss that the Company will suffer given expected defaults. The recovery rate is given as a percentage and reflects the opposite of loss severity (i.e. 100% recovery reflects 0% loss severity). In line with general market convention, loss severity is applied to asset-backed securities while recovery rate is more often used as pricing input for corporate or government instruments. Higher loss severity levels / lower recovery rates indicate lower expected cash flows upon the default of the instruments. Recovery rates for complex, less liquid instruments are usually unobservable and are estimated based on historical data.

b. Discount margin/spreads:

Discount margin/spreads represent the discount rates used when calculating the present value of future cash flows. In discounted cash flow models such spreads are added to the benchmark rate when discounting the future expected cash flows. Hence, these spreads reduce the net present value of an asset or increase the value of a liability. They generally reflect the premium an investor expects to achieve over the benchmark interest rate to compensate for the higher risk driven by the uncertainty of the cash flows caused by the credit quality of the asset. They can be implied from market prices and are usually unobservable for illiquid or complex instruments.



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Notes to Financial Statements for the period April 01, 2022 to August 31, 2022

F. Sensitivity of fair value measurements to changes in unobservable market data

For sensitivity pertaining to level III asset as at August 31, 2022, kindly refer Note 26 (D).

The effect of changing the significant unobservable inputs to reasonable possible alternatives. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology. The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favorable/unfavorable range.

G. Fair value of financial assets and liabilities not measured at fair value

As at August 31, 2022*

In ₹ million

Particulars	Fair values			
	Carrying amount	Level 1	Level 2	Level 3
Financial assets				
Cash and cash equivalents	13.5	-	-	-
Receivables				
- Trade receivables	-	-	-	-
Investments	1,852.3	-	-	1,852.3
Loans	488.0	-	-	-
Other financial assets	189.3	-	-	-
	2,543.1	-	-	1,852.3
Financial liabilities				
Lease liability	53.3	-	-	-
Other financial liabilities	21.3	-	-	-
	74.6	-	-	-

As at March 31, 2022

In ₹ million

Particulars	Fair values			
	Carrying amount	Level 1	Level 2	Level 3
Financial assets				
Cash and cash equivalents*	11.5	-	-	-
Receivables				
- Trade receivables*	-	-	-	-
Investments	-			
Loans*	491.1	-	-	-
Other financial assets*	221.7	-	-	-
	724.3	-	-	-
Financial liabilities				
Lease liability*	56.0	-	-	-
Other financial liabilities*	39.2	-	-	-
	95.2	-	-	-

*Carrying value of the Company's financial assets and liabilities, which are not carried at fair value, are assumed to be their approximate fair value.



27. Financial risk management

i. Risk management framework

The Company is exposed to financial risks, including the effects of changes in interest rate risk, credit risk and liquidity risk.

Managing these financial risks forms an integral part of the Company's business. The Company's risk management framework includes a variety of controls and reporting processes. These include the parameters for the risks that the Company may undertake for various financial instruments, guidelines for accepting customers and terms under which the business is being conducted, setting up appropriate risk limits and controls and monitor risks and adherence to the set limits. Risk management processes and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company believes it has effective processes in place to identify measure, monitor and mitigate these financial risks.

The Company's Board of Directors ("Board") are responsible for oversight of risk management approach and for approving the risk strategies and principles. The Board is assisted in its oversight role by the Risk Management & Investment Committee, Credit Committee and various other corporate functions, which includes Credit and Market risk management. The oversight role includes monitoring compliance with the Company's risk management framework and reviewing its adequacy.

Internal audit also undertakes both, regular and ad hoc, review of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Credit risk is the risk of loss arising from an obligor or counterparty's default, insolvency or administrative proceeding which results in the obligor's failure to meet its contractual obligations in accordance with agreed terms. Credit risk for the Company is managed by Credit Risk Management ("CRM") function within the Risk Management Division together with Credit Committee.

Processes for managing credit risk include:

- 1) Evaluation of likelihood that counterparty defaults on its payments and obligations;
- 2) Assignment of internal ratings to all active counterparties;
- 3) Approval of extensions of credit and establishment of credit limits;
- 4) Measurement, monitoring and management of the firm's current and potential future credit exposures;
- 5) Setting credit terms in legal documentation; and
- 6) Use of appropriate credit risk mitigants, including netting, collateral and hedging.

i. Credit quality analysis

a. Cash and cash equivalents

Balances with bank are current account balances remaining unutilised as at the reporting date.

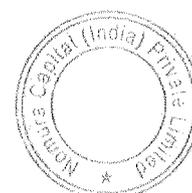
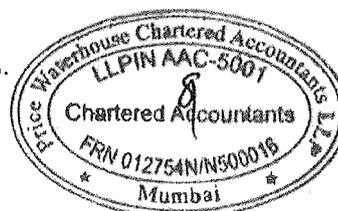
The Company believes these assets to be of high credit quality; hence no provision for expected credit loss is made.

b. Trade Receivable

As at August 31, 2022, the Company does not have any trade receivable. (Previous year: NIL)

c. Loans and Investments at amortised cost

Loans made by the Company consist of corporate loans.



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As at August 31, 2022, the Company has ₹ 515.0 million outstanding as loans (Previous year: ₹ 515.0 million) and ₹ 1,903.6 as investments (Previous year: Nil)

Particulars	In ₹ million	
	As at August 31, 2022	As at March 31, 2022
	12 month ECL (Stage 1)	12 month ECL (Stage 1)
Loans/ Investments at amortized cost		
Rated A and above	-	
Rated BBB	-	-
Rated BB	-	-
Rated B	2,418.6	515.0
Rated CCC and below	-	-
Unrated		
Less: Impairment allowance	(78.3)	(23.9)
Total	2,340.3	491.1

d. Other financial assets

Other financial assets include interest accrued on investments and loans and amount receivable from the Company's group companies.

The Company believes interest accrued on investments rated above category B and receivable from the Company's group companies to be of high quality with low credit risk; hence no provision for expected credit loss is made.

II. Amounts arising from ECL

a. Inputs, assumptions and techniques used for estimating impairment

Inputs and assumptions considered in ECL Model

The measurement of ECL through the general impairment model is typically determined within the Company using loss rate models or discounted cash flow models depending on the relevant staging of the financial instrument.

A loss rate model measures ECL for an individual or portfolio of similar financial instruments through development of loss rates calculated through an estimate of the probability of default ("PD") of the obligor and loss given default ("LGD") which is applied to the expected credit exposure of the obligor at default ("CEAD").

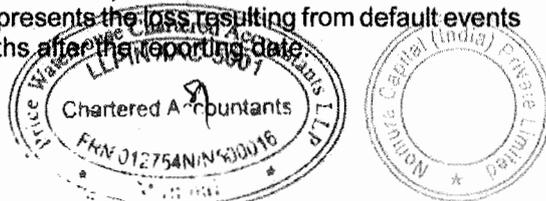
In order to determine whether 12 month or lifetime ECL is used, each financial asset is assessed for impairment, classified at each reporting date into one of following three stages of credit quality deterioration since the financial asset was initially recognised.

Stage 1: Performing financial assets for which there has been no significant deterioration in credit quality since initial recognition.

Stage 2: Underperforming financial assets for which there has been a significant deterioration in credit quality since initial recognition but which are not credit-impaired; and

Stage 3: Non-performing financial assets for which there has been a significant deterioration in credit quality since initial recognition and which have become credit-impaired.

The 12-month ECL is the portion of Lifetime ECL that represents the loss resulting from default events on financial assets that are possible within the 12 months after the reporting date.



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Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

PD inputs are determined by class of financial asset and by internal Nomura credit rating applied to each financial asset. PD inputs used by the Company are sourced from industry data and validated based on historical experience.

In case internal Nomura credit rating is not available for stage 1 assets, which are performing, then lowest rating of performing assets shall be used for the purposes of ECL calculation on a conservative basis.

For Stage 1 assets, a 12 month PD is considered, for Stage 2 assets a lifetime PD is considered and Stage 3 assets 100% PD is applied.

LGD inputs are determined by class of financial asset, based on historical experience of loss and recovery rates for similar financial asset and other relevant industry data. Where appropriate, LGD inputs are adjusted to reflect the impact of collateral and other integral credit enhancements.

Estimates and forward looking techniques

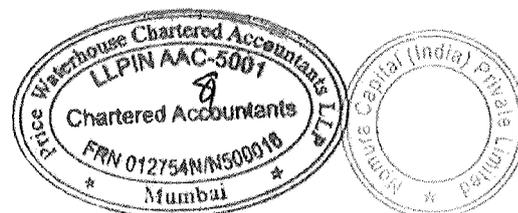
The Company has applied the following estimation technique for ECL model:

- a. Through-the-cycle ("TTC") PD preparation: TTC cumulative PDs up to 5 year are prepared by referring to S&P's historic rating migration data.
- b. Scenario Point-in-time ("PIT") PD construction: PIT PDs on each scenario are constructed from TTC PDs. In the conversion from TTC PD to PIT PD, scenario credit spread provided is used to incorporate forward looking information and credit cycle. Four scenario (upside, base, moderate downside, and severe down side) are applied.
- c. Probability weighted PIT PD computation: Scenario PIT PDs are summed up weighted by a probability of each scenario happening (probability weighted PIT PDs).
- d. LGD inputs are determined by class of financial asset, based on historical experience of loss and recovery rates for similar financial asset and other relevant industry data.

Assessment of significant increase in credit risk

A financial asset that is not credit-impaired on initial recognition is initially classified into stage 1 and is subsequently continuously monitored to determine whether a significant increase in credit risk has occurred, at which point the financial asset is reclassified to stage 2.

A determination of whether a significant increase in credit risk has occurred at each reporting date will be through a comparison of Nomura internal credit rating applied to the financial instrument at initial recognition and at the reporting date.



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A financial asset will be reclassified as per the below table:

		From (initial recognition)																			
To		AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	D
(Reporting date)		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
AAA	1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
AA+	2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
AA	3	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
AA-	4	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
A+	5	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
A	6	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
A-	7	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
BBB+	8	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
BBB	9	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
BBB-	10	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
BB+	11	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
BB	12	S2	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
BB-	13	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1	S1	S1
B+	14	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1	S1	S1
B	15	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1	S1
B-	16	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1	S1
CCC	17	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S2	S1	S1	S1	S1
CC	18	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3
C	19	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3
D	20	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3	S3

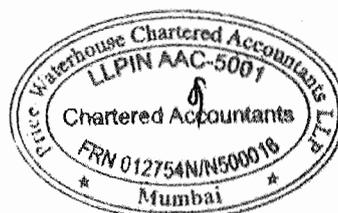
If there is a further deterioration in credit risk such that the financial asset becomes credit-impaired, the financial asset is then reclassified into stage 3.

Credit impaired financial asset

A financial asset is considered credit impaired when an obligor fails to make payments in full and on time of any financial obligations, markedly disadvantageous modification to a contractual term compared with the existing obligation, bankruptcy filings, administration, receivership, liquidation or other winding-up or cessation of business of an obligor or other similar situations.

Policy for write off of loan assets

Credit-impaired financial asset individually assessed for impairment are typically written-off when further cash flows are deemed uncollectible and when all commercially reasonable means of recovering outstanding principle and interest balances have been exhausted. Such a determination is based on factors such as the occurrence of significant changes in the obligor's financial position such that the obligor can no longer pay the obligation, or that the proceeds from collateral will not be sufficient to pay amounts due.



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b. Loss allowances

Particulars	In ₹ million	
	Apr to Aug 2022	2021-22
	Loss allowance	
Loans [measured at amortised cost]		
Balance as at April 01	23.9	-
Net measurement of loss allowance	3.1	23.9
Balance at the end of the period/year	27.0	23.9
Investments [measured at amortised cost]		
Balance at April 01	-	-
Net measurement of loss allowance	51.3	-
Balance at the end of the period/year	51.3	-

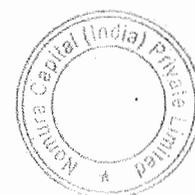
- a. Loan of ₹515.0 million is outstanding as on reporting date August 31, 2022.
(Previous year: ₹515.0 million)
- b. Investments at amortised cost of ₹1,903.6 as on August 31, 2022.
(Previous year: Nil)

iii. **Market risk**

Market risk is the risk of loss arising from fluctuations in the value of financial assets and liabilities (including off-balance sheet items) due to fluctuations in market risk factors (interest rates, prices of securities and others). Market risk primarily impacts the Company's investing activities.

Effective management of market risk requires the ability to analyse a complex and constantly changing global market environment, identify problematic trends and ensure that appropriate action is taken in a timely manner.

The Company uses a variety of complementary tools to measure, model and aggregate market risk. The Company's principal statistical measurement tool to assess and monitor market risk on an ongoing basis is Value at Risk ("VaR"). Limits on VaR are set in line with Company's risk appetite as expressed through regulatory capital. Market risk is monitored against a set of approved limits, with daily reports and other management information provided to the business units and senior management.



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Total market risk exposure

In ₹ million

Particulars	As at August 31, 2022			
	Carrying amount	Traded risk	Non traded risk	Primary risk
Financial assets				
Cash and cash equivalents	13.5	-	13.5	
Receivables				
- Trade receivables	-	-	-	
Investments	6,921.8	4,819.5	2,102.3	Interest rate risk
Loans	488.0	-	488.0	
Other financial assets	189.3	-	189.3	
	7,612.6	4,819.5	2,793.1	
Financial liabilities				
Lease liability	53.3	-	53.3	
Other financial liabilities	21.3	-	21.3	
	74.6	-	74.6	

In ₹ million

Particulars	As at March 31, 2022			
	Carrying amount	Traded risk	Non traded risk	Primary risk
Financial assets				
Cash and cash equivalents	11.5	-	11.5	
Receivables				
- Trade receivables	-	-	-	
Investments	6,908.7	6,658.7	250.0	Interest rate risk
Loans	491.1		491.1	
Other financial assets	221.7	-	221.7	
	7,633.0	6,658.7	974.3	
Financial liabilities				
Lease liability	56.0	-	56.0	
Other financial liabilities	39.2	-	39.2	
	95.2	-	95.2	

Value at Risk (VaR)

VaR is a measure of the potential loss in the value of the Company's investment positions due to adverse movements in markets over a defined time horizon with a specified confidence level. Market risks that are incorporated in the VaR model include bond prices, interest rates, credit and foreign exchange rates with associated volatilities and correlations.

VaR metrics

The 1 day VaR at 95% confidence level as of each of the dates indicate are as follows:

VaR as at August 31, 2022 - ₹ 5.8 million

VaR as at March 31, 2022 - ₹ 6.1 million



NOMURA CAPITAL (INDIA) PRIVATE LIMITED

Special Purpose Financial Statements

Notes to Financial Statements for the period April 01, 2022 to August 31, 2022

Assumptions

The Company uses a single VaR model in order to determine the total VaR for the Company. The Company's VaR methodology uses historical simulation to estimate potential profit or loss. Historical market moves are repeatedly applied to current exposure, forming a distribution of simulated portfolio returns. From this distribution the required potential losses can be estimated at required confidence levels or probabilities. VaR is calculated at a 95% confidence level and using a 1-day time horizon.

The VaR model uses a historical time window of two years (520 business days). For risk management, the Company uses an exponential weighted moving average VaR. For the calculation of VaR, the probability weight assigned to each measure of estimated profit or loss in the historical simulation scenarios depends on when it occurred. The older the observation, the lower the weight.

The Company's VaR model uses time series for each individual underlying, whenever available. Whenever a time series cannot be found for a specific underlying, the VaR model will follow 'proxy logic' to map the exposure to an appropriate time series. The level of proxying taking place in the VaR model is carefully monitored through internal risk management processes and there is a continual effort to source new time series to use in the VaR calculation.

Objectives and Limitations of the VaR methodology

The main advantage of VaR as a risk measure is that it is able to aggregate risk from different asset classes (in contrast with other risk measures sensitivities that cannot be easily aggregated directly). The risk from different products of the Company can therefore easily be compared and aggregated using VaR.

As a risk measure, however, VaR has certain limitations. One of the main disadvantages with VaR is that it is a backward-looking risk measure. Using historical market moves to estimate future losses assumes that only events that have actually happened in the past are relevant to analyse the risk of a portfolio.

In addition, VaR only gives an estimate of the loss at a stated 95th percentile (i.e. in five out of 100 days the loss will be greater than 1-day VaR), but not what the magnitude of loss could be whenever the loss does exceed VaR.

VaR as a risk measure is most appropriate for liquid markets and may understate the financial impact of severe events for which there is no historical precedent on where market liquidity may not be reliable. In particular, historical correlations can break down in extreme markets leading to unexpected relative market moves. This may make positions that off-set each other in VaR modelling move in the same direction thus increasing losses. VaR also does not fully capture the impact of defaults by issuers as these are very rare events.

Given the limitations of the VaR model, the Company uses VaR only as one component of a diverse market risk management process

iv. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

Exposure to interest rate risk for non-trading financial assets and liabilities:

The Company does not have any floating rate financial assets and liabilities as at the reporting date, therefore a change in interest rate would not affect profit and loss.



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v. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The functional currency of the Company is Indian Rupee (₹).

At present, the Company does not have any exposure in foreign currency. (Previous year: NIL)

vi. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in raising funds to meet its working capital requirements and commitments, including those associated with financial instruments.

The Company's liquidity risk appetite is defined by the requirement to maintain sufficient liquidity (through holding a highly liquid pool of high quality, unencumbered assets that can be monetized) across market cycles and periods of stress such that all funding requirements and unsecured debt obligations falling due within the two separately defined stress scenarios can be met without the need to roll unsecured financing.

The Company has established an Asset and Liability Committee ("ALCO") to define its policy relating to funding and liquidity risk.

The Company's finance department monitors, on an ongoing basis, the Company's funding requirements and its forecasts, maturity mismatches and liquidity ratios in order to enable the Company meet its short-term funding requirements.

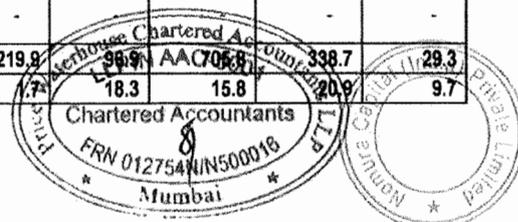
The Company maintains a portfolio of highly liquid and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow. Liquidity risk is also mitigated through the close monitoring of exposure to avoid undue concentration.

Exposure to liquidity risk

As at August 31, 2022

In ₹ million

Particulars	Carrying amount	1 to 7 days	8 to 14 days	15 to 30/31 days	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 to 3 years	Over 3 to 5 years	Over 5 years
Financial assets											
Cash and cash equivalents	13.5	13.5	-	-	-	-	-	-	-	-	-
Receivables											
- Trade receivables	-	-	-	-	-	-	-	-	-	-	-
Investments [#]	6,921.8	3,567.6	2,420.7	-	119.8	37.6	172.9	82.7	187.7	309.1	23.7
Loans [§]	488.0	-	-	-	-	-	-	-	488.0	-	-
Other financial assets	189.3	-	-	1.1	47.1	14.7	47.1	14.1	30.0	29.5	5.6
Foreign currency assets [§]	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities											
Borrowings [§]	-	-	-	-	-	-	-	-	-	-	-
Debt securities [§]	-	-	-	-	-	-	-	-	-	-	-
Deposits [§]	-	-	-	-	-	-	-	-	-	-	-
Lease liability	53.3	-	-	0.6	0.6	0.6	1.7	3.5	15.8	20.9	9.7
Other financial liabilities	21.3	-	-	6.5	-	-	-	14.8	-	-	-
Foreign currency liabilities [§]	-	-	-	-	-	-	-	-	-	-	-
Inflows	7,612.6	3,581.1	2,420.7	1.1	166.9	52.3	219.9	99.9	338.7	338.7	29.3
Outflows	74.6	-	-	7.1	0.6	0.6	17.7	18.3	15.8	20.9	9.7



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As at March 31, 2022

In ₹ million

Particulars	Carrying amount	1 to 7 days	8 to 14 days	15 to 30/31 days	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 to 3 years	Over 3 to 5 years	Over 5 years
Financial assets											
Cash and cash equivalents	11.5	11.5	-	-	-	-	-	-	-	-	-
Receivables											
- Trade receivables	-	-	-	-	-	-	-	-	-	-	-
Investments [§]	6,908.7	2,503.1	3,478.0	-	-	-	143.8	334.1	352.4	73.9	23.4
Loans [§]	491.1	-	-	-	-	-	-	-	491.1	-	-
Other financial assets	221.7	-	-	96.2	-	0.1	83.0	42.4	-	-	-
Foreign currency assets [§]	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities											
Borrowings [§]	-	-	-	-	-	-	-	-	-	-	-
Debt securities [§]	-	-	-	-	-	-	-	-	-	-	-
Deposits [§]	-	-	-	-	-	-	-	-	-	-	-
Lease liability	56.0	-	-	0.5	0.5	0.6	1.7	3.4	15.2	19.9	14.2
Other financial liabilities	39.2	-	-	5.8	33.4	-	-	-	-	-	-
Foreign currency liabilities [§]	-	-	-	-	-	-	-	-	-	-	-
Inflows	7,633.0	2,514.6	3,478.0	96.2	-	0.1	226.8	376.5	843.5	73.9	23.4
Outflows	95.2	-	-	6.3	33.9	0.6	1.7	3.4	15.2	19.9	14.2

[§]Disclosure pursuant to Annexure XIV of RBI/DNBR/2016-17/45 Master Directions DNBR.PD.004 /03.10.119/2016-17 Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 (as updated on September 29, 2022).

*Investments and accrued interest on investments are classified as per the "Liquidity risk framework" adopted by the Company based on RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019.

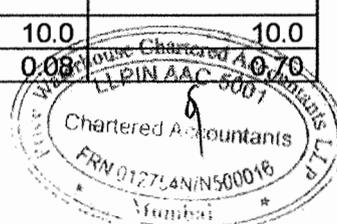
*All listed corporate bonds will be placed in the "1 day to 30/31 days" buckets depending on the defeasance period as defined in the Company's Asset Liability Management ("ALM") Policy.

28. Earnings Per Share

Basic EPS (not annualized) is calculated by dividing the profit for the period attributable to equity holders by the weighted average number of equity shares outstanding during the period.

Diluted EPS (not annualized) is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the period plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	August 31, 2022	August 31, 2021
Net Profit attributable to equity holders of the Company (In ₹ million)	9.9	91.1
Weighted average number of shares at the end of the period	130,000,000	130,000,000
Face value per share	10.0	10.0
Basic and diluted earnings per share	0.08	0.70



NOMURA CAPITAL (INDIA) PRIVATE LIMITED**Special Purpose Financial Statements****Notes to Financial Statements for the period April 01, 2022 to August 31, 2022****29. Segment Reporting**

Mr. Ambrish Singh has been identified as the Chief Operating Decision Maker (CODM). The CODM regularly reviews the performance reports and makes decisions about allocation of resources.

An operating segment is a component of the Company that engages in business activities from which it earns revenue and incurs expenses, for which discrete financial information is available.

The Company is a Non-banking financial institution and is primarily engaged in lending and investing activities. The Company's operations fall under single business segment.

Further the business operations of the Company are primarily concentrated in India. The Company is considered to operate in the single geographical segment i.e. domestic segment.

Since the Company's' current business activities primarily falls within a single business and geographical segment, no additional disclosures are required as per Ind AS 108.

30. Related Party Disclosure

1. Names of related parties:

Nature of relationship	Name of party
Parent company	Nomura Asia Investment (Fixed Income) Pte. Ltd.
Ultimate parent company	Nomura Holdings, Inc.

2. Names of related parties with whom transactions have taken place during the period:

Nature of relationship	Name of party
Fellow subsidiaries	Nomura Services India Private Limited
	Nomura Structured Finance Services Private Limited
	Nomura Financial Advisory and Securities (India) Private Limited
	Nomura Fixed Income Securities Private Limited
	Nomura Singapore Limited
	Nomura Investments (Singapore) Pte. Limited
	Nomura Asset Management Co.
Key management personnel	Mr. Ambrish Singh (Date of appointment September 30, 2021)
	Mr. R. Arun
	Mr. Shantanu Sahai (Date of resignation April 12, 2022)
	Mr. Vipul Chatwani
	Mr. Swee Seng Liang (Date of appointment March 14, 2022)



NOMURA CAPITAL (INDIA) PRIVATE LIMITED

Special Purpose Financial Statements

Notes to Financial Statements for the period April 01, 2022 to August 31, 2022

In ₹ million

Name of related party	Nature of relationship	Nature of transaction	Transactions during the period ended august 31, 2022	Amount outstanding as at August 31, 2022 Receivable/ (Payable)	Transactions during the period ended March 31, 2022	Amount outstanding as at March 31, 2022 Receivable/ (Payable)
Nomura Financial Advisory & Securities (India) Private Limited	Fellow subsidiary	Support cost recharge*	11.8	(2.2)	33.9	(0.1)
		Other expenditure	-	0.0**	0.7	0.0**
		Recharge to group companies*	(5.9)	(1.1)	18.6	7.4
Nomura Services India Private Limited	Fellow subsidiary	Legal and professional fees*	5.7	(1.1)	12.1	(0.7)
Nomura Structured Finance Services Private Limited	Fellow subsidiary	Legal and professional fees*	2.9	(0.5)	2.7	(0.5)
Nomura Fixed Income Securities Private Limited	Fellow subsidiary	Recharge to group companies*	-	-	21.7	19.9
Nomura Investments (Singapore) Pte.	Fellow subsidiary	Sale of securities	-	-	328.7	-
Nomura Asset Management Co. #	Fellow subsidiary	Purchase of securities	-	-	270.3	-
Directors	Key management personnel	Short term employee benefits	26.9	14.3	49.7	23.3
		Post employment benefits	0.8	0.2	4.1	0.1
		Employee share based payments	1.8	-	1.5	-

*Inclusive of goods and service tax

Transaction entered with The Nomura Trust and Banking Co. Limited as the trustee of Indian Local Currency Denominated Bond Mother Fund which is managed by Nomura Asset Management Co.



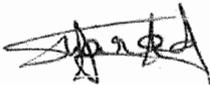
NOMURA CAPITAL (INDIA) PRIVATE LIMITED**Special Purpose Financial Statements****Notes to Financial Statements for the period April 01, 2022 to August 31, 2022****31. Contingent liabilities**

The company is in litigation with tax office in respect of certain additions made to the returned income. The company has appealed against all of the below orders and the same are pending before the Commissioner of Income Tax (Appeals)

Particulars	In ₹ million	
	August 31, 2022	March 31, 2022
Income Tax FY 2011-12 (AY 2012-13)	9.5	9.5
Income Tax FY 2012-13 (AY 2013-14)	94.0	94.0
Income Tax FY 2013-14 (AY 2014-15)	19.3	19.3
Income Tax FY 2014-15 (AY 2015-16)	8.6	8.6
Total	131.4	131.4

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors of
Nomura Capital (India) Private Limited



Sharad Agarwal
Partner
Membership No: 118522
Place: Mumbai
Date: October 13, 2022



Arun Kumar Rajappan
Director
DIN: 09336231



Vipul Chatwani
Director
DIN: 00337576



Prashant Pangam
Chief Financial Officer



Aritree Chaudhuri
Company Secretary
Membership No.: A43847
Place: Mumbai
Date: October 13, 2022

