

KARVY FINTECH

KARVY FINTECH PRIVATE LIMITED (Formerly Known as "KCPL Advisory Services Pvt. Ltd.")
CIN: U72400TG2017PTC117649

Registered Office: Karvy Selenium, Tower B, Plot No – 31 & 32, Financial District, Nanakramguda,
Serilingampally, Hyderabad – 500 032, Telangana, India

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Directors' Report

Dear Members,

Your Company's Directors are pleased to present the 2nd Annual Report on the business and operations of your Company, along with the audited financial statements and the auditors' report thereon, for the financial year ended March 31, 2019.

I. Financial Performance

The standalone and consolidated financial statements for the financial year ended March 31, 2019, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

Summary of the financial performance of your Company and its subsidiaries for the financial year 2018-19 is as presented in the statement of Profit and Loss Account, including other comprehensive income, as part of audited financial statement. A summary is presented below:

Particulars (Amount in Rs Lakh)	Standalone		Consolidated
	FY 2017-18	FY 2018-19	FY 2018-19
Revenue from operations	-	15,869	16,242
Other Income	-	219	233
Total Income	-	16,088	16,475
Employee Expenses	-	6,310	6,524
Other Expenses	11	3,477	3,553
Depreciation and Amortisation	-	3,044	3,033
Finance Cost	-	1,908	1,908
Total Expenses	11	14,738	15,018
Profit Before Tax	-11	1,350	1,458
Tax	-4	502	516
Profit After Tax	-7	848	942
Other Comprehensive Income	-	52	25
Total Comprehensive Income	-7	900	967

- **Dividend:**

During the year under review, the Board of Directors has not declared any dividend.

- **Transfer to Reserves:**

Since there is no dividend declared during the year under review, the provisions towards transfer of profit to reserve are not applicable.

- **Subsidiary Companies**

Your directors wish to inform you that as on March 31, 2019, the Company has two wholly owned subsidiaries, namely, (i) Karvy Fintech (Bahrain) WLL, Bahrain and (ii) Karvy Fintech (Malaysia) Sendirian Berhad, Malaysia. During the year under review, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with section 129(3) of the Companies Act, 2013, consolidated financial statements of the Company were prepared and form part of the Annual Report of the Company. Further details of the subsidiaries and highlights of performance of subsidiary companies and their contribution to the overall performance of the Company are attached with this Report as **Annexure – I**.

- **Share Capital**

Pursuant to the approval at the extraordinary general meeting of the Company held on October 15, 2018, the authorized share capital of your Company increased from Rs 6,00,00,000/- (Rupees Six Crore) to Rs 170,00,00,000/- (Rupees One Hundred Seventy Crore). Vide Clause 19.2 of the Composite Scheme of Arrangement and Amalgamation between Karvy Consultants Limited, Karvy Computershare Private Limited and the Company and their respective shareholders and creditors as approved by National Company Law Tribunal, Hyderabad, vide Order dated October 23, 2018 ("the scheme") and as recorded by the Board of Directors of the Company vide its resolution dated November 19, 2018, the authorized share capital of your Company further increased from Rs 170,00,00,000/- (Rupees One Hundred Seventy Crore) to Rs 1,76,00,00,000/- (Rupees One Hundred Seventy Six Crore). During the year 2018-19, the Company issued and allotted 16,58,31,429 equity shares of Rs 10/- each. During the year, the Company has also extinguished 10,000 equity shares consequent upon the Scheme becoming effective as per conditions of the Scheme and upon issuance of the Demerger Shares pursuant to Clause 5 of the Scheme. Consequently, the paid-up equity share capital of the Company as at March 31, 2019 stood at Rs 1,65,83,14,290 consisting of 16,58,31,429 full paid up equity shares of Rs 10 each. During the year under review, the Company has not issued shares with differential voting rights and sweat equity shares.

- **Listing of Debentures**

During the financial year 2018-19, your company has issued 4,000 (four thousand) Rated, Listed, Redeemable, Non-convertible Debentures of face value of Rs 10,00,000 (Rupees Ten Lakh) each, aggregating up to Rs 400,00,00,000 (Rupees Four Hundred Crore) on a private placement basis. The Debentures are admitted to dealing on the Bombay Stock Exchange Limited (BSE) in the list

of securities of F GROUP- DEBT INSTRUMENTS. The details of the debenture trustee are as follows:

IDBI Trusteeship Services Limited Asian Building, Ground floor, 17, R Kamani Marg, Ballard Estate, Mumbai 400001; Tel: +91 022 4080 7000 ; Fax: 022 6331 1776, Contact Person : Mr. Vaibhav Palande

- **Credit Rating**

Your Company has obtained credit rating from ICRA Limited for its Non-Convertible Debentures, which are as under:

Rated, Listed, Redeemable, Non-convertible Debentures : [ICRA] AA-

- **Particulars of Loans, Advances, Guarantees and Investments**

Pursuant to Section 186 of Companies Act, 2013 and Schedule V of the Listing Regulations, disclosure on particulars relating to loans, advances, guarantees and investments are provided as part of the financial statements

- **Deposits**

Your Company has not accepted any deposits from public and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

- **Risk Management Policy**

Your company had developed and implemented Enterprise Risk Management Policy including identification of key risk elements which may threaten the existence of the Company. The implementation is periodically reviewed by the Audit Committee of the Board.

- **Events Subsequent to the Date of the Financial Statements**

There are no material changes and commitments to report that can be considered to affect the financial position of your Company after March 31, 2019, up to the date of signing of this Director's Report

II. Business

- **Overview of Operations - Particulars and Developments/ Outlook**

- a) Your Company has been actively participating in the intermediation of investor services and created a strong tech enabled platform for all the stake-holders of a growing mutual fund and capital market. You Company foresees increasing digital participation in the market place and hence, continues to engage in creating a strong digital footprint by significantly re-engineering its mobile / web / corporate platforms which have been well received by the market.

- b) After revival of the IPO market last year, the market again slumped this year, though your Company has been maintaining leadership position in the business.
- c) Equity assets in the Mutual Fund Industry has seen significant growth particularly in the retail segment, and your Company has been able to deliver on the operations well as also capitalize on the growth. However, there has been issues around Debt and Liquid assets due to market related challenges.
- d) The AIF, PMS and Wealth Management businesses continue to grow and your Company is well entrenched in these businesses to benefit from its growth.
- e) Expansion and investments in Southeast Asian / ASEAN markets continue to do well and hold a significant promise for the future, with growing wealth in these markets.

- **Acquisitions, Investments and Divestments**

Your company is currently evaluating various potential acquisition to maximize service and product offering to the market. There are no divestments during the year under review.

- **Management Discussion and Analysis Report**

The Ministry of Corporate Affairs, Government of India, issued a set of Voluntary Guidelines on Corporate Governance in December 2009. The guidelines provide for good governance practices which may be adopted by the corporate on a voluntarily basis. Your company is making every endeavor to ensure compliance with the guidelines.

A report on Management Discussion & Analysis Statement is annexed to this report as **Annexure – II**.

III. Governance and Ethics

- **Corporate Governance**

Your Company believes in adopting best practices of corporate governance, which form the core values of your Company. These guiding principles are also articulated through the Company's code of business conduct, Corporate Governance guidelines, charter of various sub-committees and disclosure policy

Board of Directors

- **Board's Composition and Independence**

Your Company recognizes and embraces the importance of a diverse Board for its success. As on March 31, 2019, the Board comprised of one Executive Director and seven Non-Executive Directors including two Independent Directors with one of them being a Woman Director.

- **Number of Meetings of the Board**

The Board met seven times during the financial year 2018-19, namely, on June 25, 2018, August 27, 2018, October 15, 2018, October 29, 2018, November 6, 2018, November 16, 2018 and February 21, 2019. The maximum interval between any two meetings did not exceed 120 days.

All the directors were present in all the seven meeting held during the financial year 2018-19.

- **Appointment of Directors and Key Managerial Personnel**

Following appointments were made during the year under report:

- Mr. C. Parthasarathy was appointed as Non-executive Director and Chairman of the Board with effect from November 16, 2018. The appointment was approved by the shareholders at the Extra-Ordinary General Meeting (EGM) held on November 16, 2018.
- Mr. V. Ganesh was appointed as Managing Director and Chief Executive Officer of the Company to hold office with effect from November 16, 2018. The appointment was approved by the shareholders at the Extra-Ordinary General Meeting (EGM) held on November 16, 2018.
- Mr. Sandeep Naik, Mr. Shantanu Rastogi and Mr. Rajat Sood were appointed as Non-executive Nominee Directors of the Company with effect from November 16, 2018. The appointments were approved by the shareholders at the Extra-Ordinary General Meeting (EGM) held on November 16, 2018.
- Mr. Kaushik Mazumdar and Ms. Sonu Halan Bhasin were appointed as Non-executive Independent Director of the Company with effect from November 16, 2018. The appointments were approved by the shareholders at the Extra-Ordinary General Meeting (EGM) held on November 16, 2018.
- Mr. M V Nair was appointed as Non-executive Nominee Director of the Company with effect from November 22, 2018. The appointment was approved by the shareholders at the Extra-Ordinary General Meeting (EGM) held on March 7, 2019.
- Mr. Rakesh Kumar Santhalia was appointed as the CFO and Company Secretary of the Company with effect from November 17, 2018.

- **Retirements and Resignations**

Mr. Bharat Naidu and Mr. K. V. Ram Mohan resigned from the Board with effect from November 16, 2018.

- **Committees of the Board**

The Company's Board has, during the year, constituted the following committees:

1. **Audit Committee** - constituted on February 5, 2019. After the constitution, only one meeting of the Audit Committee was held during the financial year 2018-19 on February 21, 2019. . All the committee members participated in the meeting.
2. **IT Strategy Committee** - constituted on February 5, 2019. After the constitution, only one meeting of the IT Strategy Committee was held during the financial year 2018-19 on February 21, 2019. All the committee members participated in the meeting.
3. **Pricing and M&A Committee** - constituted on February 21, 2019. After the constitution, no meeting was held in the financial year 2018-19.
4. **Nomination and Remuneration Committee** - constituted on February 5, 2019. After the constitution, only one meeting of the Nomination and Remuneration Committee was held during the financial year 2018-19 on February 21, 2019. . All the committee members participated in the meeting.
5. **Corporate Social Responsibility (CSR) Committee** - constituted on February 5, 2019. After the constitution, only one meeting of the CSR Committee was held during the financial year 2018-19 on February 21, 2019. All the committee members participated in the meeting.

Composition/members of these Committees is presented below:

#	Names of the Directors	Audit Committee (AC)	IT Strategy Committee (ITSC)	Pricing and M&A Committee (PMC)	Nomination and Remuneration Committee (NRC)	Corporate Social Responsibility Committee (CSRC)
1	Mr. C Parthasarathy	-	Chairman	Chairman	Member	Chairman
2	Mr. Sandeep A Naik	-	-	-	Member	Member
3	Mr. Shantanu Rastogi	-	-	Member	-	-
4	Mr. Rajat Sood	Member	Member	Member	-	-
5	Mr. M V Nair	-	-	-	-	-
6	Mr. V Ganesh	-	Member	-	-	Member
7	Mr. Kaushik Mazumdar	Chairman	Member	-	Chairman	-
8	Ms. Sonu H Bhasin	Member	-	-	Member	Member

• Corporate Social Responsibility (CSR) Initiatives:

During the year under review, the statutory provisions regarding constitution of CSR Committee is not applicable to the Company. However, on voluntary basis, the Board of Directors had constituted a Corporate Social Responsibility (CSR) Committee of the Board with effect from February 05, 2019 in line with the provisions under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014. The CSR Committee comprises of the following members:

1. Mr. C Parthasarathy, Chairman
2. Mr. Sandeep A Naik
3. Mr. V Ganesh
4. Mr. Sonu H Bhasin

As per approved CSR Policy, the Committee is in the process of evaluating several options and key focus areas for the implementation of the framework of the CSR Policy and the amount to be spent on identified CSR activities. During the year under review, the CSR Committee met once on February 21, 2019.

- **Policy on Director's appointment and remuneration**

The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is in place. The remuneration paid to the Directors is as per the terms laid out in the Remuneration Policy of the Company.

- **Declaration by Independent Directors**

The Company has received necessary declaration from each of the independent directors under Section 149(7) of the Companies Act, 2013 and that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

- **Directors' responsibility statement**

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values, the provisions of the Companies Act, 2013 (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Companies Act, 2013 ("Act"), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with applicable transition guidance. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Directors confirm that:

- In preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed;
- They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- They have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- They have prepared the annual accounts on a going concern basis;
- They have laid down internal financial controls, which are adequate and are operating effectively;
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

- **Extract of annual return**

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return, in the prescribed format, is appended as **Annexure III** to this Director's Report.

- **Particulars of Employees**

The particulars of employees pursuant to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial) Rules 2014 are given in the **Annexure IV**.

- **Related Party Transactions**

The particulars of Contracts or Arrangements made with related parties, pursuant to Section 186 and Form No AOC-2, are furnished in **Annexure – V** and attached with this report.

- **Payment of Remuneration to Directors**

The remuneration details of Mr. V. Ganesh, Managing Director and CEO, as required to be mentioned pursuant to the provisions of part II of Schedule V of the Companies Act, 2013 and the Rules framed thereunder, is mentioned below.

- **Managerial Remuneration**

Sr. No.	Requirements	Disclosure
I	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	During the year, remuneration is paid only to one director i.e. Mr. V. Ganesh, CEO and Managing Director. Ratio of his remuneration to the median remuneration of the employees is 202. Ratio of his remuneration to the average remuneration of the employees is 126.
II	The percentage increase in remuneration of each director, CEO, CFO and CS in the financial year	Not applicable being first year of appointment in the Company
III	The percentage increase in the median remuneration of employees in the financial year	Not applicable being first year of appointment in the Company
IV	The number of permanent employees on the rolls of the Company.	There were 4,654 permanent employees as on March 31, 2019
V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile	Not applicable being first year of appointment in the Company

Sr. No.	Requirements	Disclosure
	increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	
VI	Affirmation that the remuneration is as per the remuneration policy of the Company.	The Company affirms remuneration is as per the Remuneration Policy of the Company

• Board Evaluation

During the year under report, all the existing Directors were newly appointed and had only one Board and Committee meeting. Though the Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013 and in consonance with Guidance Note on Board Evaluation issued by SEBI in January 2017, the time spent by the Board and Committee, during the year under review is too short for the full Annual Performance Evaluation.

The limited evaluation of the Board and Committees was based on criteria such as composition and role of the Board, Board communication and relationships, functioning of Board Committees, review of performance and compensation to Executive Directors, succession planning, strategic planning, etc. and was also based on criteria such as participation and contribution in Board and Committee meetings, representation of shareholder interest and enhancing shareholder value, experience and expertise to provide feedback and guidance to top management on business strategy, governance and risk, understanding of the organization's strategy, risk and environment, etc.

The outcome of the evaluation was discussed by Nomination and Remuneration Committee and the Board at their meeting held in May 2019.

iv. Internal Financial Controls and Audit

• Internal financial control and its adequacy

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud, error reporting mechanisms, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

- a) Your Directors report that your Company has adequate internal controls commensurate with its size and nature of operations. There are suitable monitoring procedures in place to provide reasonable assurance for accuracy and timely reporting of the financial information

and compliance with the statutory requirements. There are proper policies, guidelines and delegation of power issued for compliance across the Company.

- b) For the purpose of ensuring accuracy in the preparation of the financials, your Company has implemented various checks and balances like periodic reconciliation of major accounts, review of accounts, obtaining confirmation of various balances and proper approval mechanism. There is proper reconciliation of the transactions captured to ensure the accuracy and completeness of the transaction posted in financial accounting. In order to ensure robust internal control systems, regular internal audits are conducted by the central internal audit division.
- c) Your Company has documented all major processes in the area of revenue, expenses, bank transactions, payments, statutory compliances and period end financial accounting processes. Your company is continuously putting its efforts to align the processes and controls with the best practices in the industry.

The Audit Committee of the Board and the Board of Directors, periodically review the important matters and finding of the internal audit division and monitor the compliance of the internal controls system.

- **Statutory Auditors**

Your directors inform that M/s B S K S & Co., the statutory auditors, had submitted their resignation to the Company expressing their inability to continue as the auditors of the Company with effect from February 20, 2019 due to other engagements. To fill the casual vacancy, consequent upon their resignation, M/s B S R & Associates LLP, Chartered Accountants, having ICAI firm registration no. 116231W/W-100024, were appointed as Statutory Auditors of the Company for the financial year 2018-19, as per approval by the Board of Directors vide its resolution dated March 4, 2019 and also approved in the Extra-Ordinary General Meeting of the Members held on March 7, 2019. The Board recommends continuance of their appointment for a further period of four consecutive financial years, namely, from financial year 2019-20 to financial year 2022-23.

- **Audit Reports**

The Auditors' Report for the financial year 2018-19 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

Pursuant to provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the Audit Committee during the year under review.

- **Secretarial Audit**

As required under Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s D V Rao and Associates, Practicing Company secretary, as Secretarial Auditor of the company

for the financial year 2018-19. The Report of the Secretarial Audit in Form MR-3 for the financial year ended March 31, 2019 is enclosed as **Annexure VI** to this Report. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in his report.

- **Secretarial Standards**

Your company has followed the secretarial standards with respect to General and Board meetings specified by the Institute of Company Secretaries of India and approved as such by the Central Government, pursuant to Section 118(10) of the Companies Act, 2013.

v. Other Disclosures

- **Significant and material orders**

The Board of Directors of your Company in its meeting held on August 2, 2017 approved a Composite Scheme of Arrangement and Amalgamation between Karvy Consultants Limited (KCL), Karvy Computershare Private Limited (KCPL), the Company and their respective shareholders under the relevant provisions of the Companies Act, 2013 ("the Scheme"). Subsequent to the approval of the Scheme by the Creditors of KCPL at the National Company Law Tribunal, Hyderabad ("NCLT") convened meeting held on December 29, 2017, your Company had filed the petition for sanction of the Scheme with the Hon'ble NCLT. The Scheme has been approved by the Hon'ble NCLT, vide their order dated October 23, 2018 which has been filed with the Registrar of Companies, Hyderabad, on November 17, 2018. As per the Scheme, the Appointed Date is the Effective Date. Therefore the Scheme has become effective on November 17, 2018. As per approved Scheme, with effect from November 17, 2018, all the assets, liabilities, contracts, permits, statutory licenses, all related operations, work experiences, registrations, authorizations, statutory rights, permissions, approvals, tax registrations, service tax, Goods and Service Tax (GST) registrations, provident fund, ESI, registration with the Reserve Bank of India or other registrations whether statutory or otherwise, no objection certificates, or any consents to carry on the operations of KCPL stand transferred to and vested in the Company without any further act or deed and is appropriately mutated / facilitated by the statutory authorities concerned therewith in favour of the Company so as to empower and facilitate the continuation of the operations of the Company. As per the same composite Scheme, the Demerged Undertaking of KCL is also stand demerged with the Company.

- **Conservation of Energy, Technology Absorption and Foreign Exchange Earning & Outgo:**

Conservation of Energy and Technology Absorption

The business operation of your Company is not energy intensive. However, sufficient measures have been taken to minimize the energy consumption. Being the business we are in, we have a high level of technology absorption through creation of pioneering software, business process automation etc.

Foreign Exchange Earning and Outgo

Your Company's foreign exchange earnings are Rs 1782 Lakh (previous year Nil) and outflow during the period was Rs 62 Lakh (previous year Nil).

- **Contribution to the 'Go-green' initiative:**

In its commitment to help the environment, during the year, your company has taken all necessary steps to reduce the usage of paper in the office. Your company, in many areas, has made necessary changes in the existing processes to move further towards a paperless work environment.

- **Education, training and quality assessment:**

Your directors wish to inform you that your Company has been continuing training programs for overall development of the employees. New schemes have been introduced to recognize and reward the best talent.

- **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Your directors wish to inform you that the Company has in place a Prevention of Sexual Harassment (POSH) Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Committee (IC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral.

During the year under review, no complaints with allegations of sexual harassment were filed.

- **Vigil Mechanism:**

Your Company has adopted a Whistleblower Policy (Vigil Mechanism) as a channel for receiving and redressing complaints from employees and Directors, as per the provisions of Section 177(9) and (10) of the Companies Act, 2013. Under this policy, your Company encourages its employees to report any reporting of fraudulent financial or other information to the stakeholders, and any conduct that results in violation of the Company's code of conduct, to the management (on an anonymous basis, if employees so desire). Further, your Company has prohibited discrimination, retaliation or harassment of any kind against any employees who, based on the employee's reasonable belief that such conduct or practice have occurred or are occurring, reports that information or participates in the investigation. The Policy is appropriately communicated within the Company across all levels.

- **Acknowledgements:**

Your Directors wish to express their immense gratitude to the Company's bankers, managers, vendors, clients and investors for their co-operation and for the confidence reposed in the Company and look forward to their continued support. Your Directors place on record their deep sense of appreciation and gratitude to the employees at all levels, and more specifically, to the senior management team of the Company for their unstinted support, during the year under review. Your directors further express their gratitude to the Central, various State Governments and Government agencies for imposing faith in the Company and awarding various projects.

For and on behalf of the Board of Directors



C. Parthasarathy
Chairman of the Board
DIN: 00079232



V. Ganesh
Managing Director & CEO
DIN: 02282487

Place: Mumbai
Date: May 22, 2019

ANNEXURE INDEX

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KARVY FINTech PRIVATE LIMITED

Annexure - I

ANNEXURE TO THE DIRECTORS' REPORT

Highlights of performance of subsidiary companies and their contribution to the overall performance of the Company

A. Karvy Fintech (Bahrain) WLL, Bahrain:

Karvy Fintech (Bahrain) WLL (KFBWLL) was incorporated in the Kingdom of Bahrain. Name of the subsidiary has been changed during the year from Karvy Computershare WLL to Karvy Fintech (Bahrain) WLL. On account of merger of Karvy Computershare Private Limited (earlier holding company of KFBWLL) into Karvy Fintech Private Limited with effect from November 17, 2018, KFBWLL became wholly owned subsidiary of the Company with effect from November 17, 2018.

KFBWLL is registrar & share transfer agent and paying agent for several issuer companies in Bahrain and has been market leader in the country. KFBWLL also managed few Fund Accounting and Administration mandates.

Financial highlights of KFBWLL is given below:

Particulars	Amount in Rs Lakh
	For the period from November 17, 2018 to March 31, 2019
I. Revenue from operations	206.27
II. Other income	12.19
III. Total Income (I+II)	218.45
IV. Expenses	
Employee benefits expense	146.72
Depreciation and amortisation expense	0.87
Other expenses	28.90
Total expenses (IV)	176.48
V. Profit before tax (III-IV)	41.97
VI. Tax expense:	-
VII. Profit for the year / period (V-VI)	41.97

B. Karvy Fintech (Malaysia) Sdn. Bhd., Malaysia:

Karvy Fintech (Malaysia) Sdn. Bhd. (KFMSB) was incorporated in the Malaysia. Name of the subsidiary has been changed during the year from Karvy Computershare (Malaysia) Sdn. Bhd. to Karvy Fintech (Malaysia) Sdn. Bhd. On account of merger of Karvy Computershare Private Limited (earlier holding company of KFMSB) into Karvy Fintech Private Limited with effect from November 17, 2018, KFMSB became wholly owned subsidiary of the Company with effect from November 17, 2018.

KFMSB is principally engaged in the business of carrying out transfer agency, back office services outsourced by market intermediaries and fund managers. There have been no significant changes in the nature of these activities during the financial year.

Financial highlights of KFMSB is given below:

Particulars	Amount in Rs Lakh	
	For the period from November 17, 2018 to March 31, 2019	
I. Revenue from operations	596.86	
II. Other income	1.61	
III. Total Income (I+II)	598.47	
IV. Expenses		
Employee benefits expense	67.70	
Depreciation and amortisation expense	7.57	
Other expenses	476.44	
Total expenses (IV)	551.71	
V. Profit before tax (III-IV)	46.77	
VI. Tax expense:	13.87	
VII. Profit for the year / period (V-VI)	32.89	

For and on behalf of the Board of Directors


C. Parthasarathy
Chairman of the Board
DIN: 00079232


V. Ganesh
Managing Director & CEO
DIN: 02282487

Place: Mumbai

Date: May 22, 2019



KARVY FINTech PRIVATE LIMITED

Annexure - II

ANNEXURE TO THE DIRECTORS' REPORT
Management Discussion & Analysis Statement

A. Overview

Karvy Fintech Private Limited ("Karvy Fintech" or "Company") (formerly known as "KCPL Advisory Services Private Limited") is the largest registrar and a market leader, servicing over 90 million investor accounts spread over 1300 issuers including banks, PSUs and mutual funds. With a workforce of around 5,500+ experienced professionals drawn from various disciplines, and 460 branches pan India, Karvy Fintech has emerged as a market leader in Investor Servicing.

Karvy Fintech has set new benchmarks in Investor Servicing by establishing higher performance standards and enhanced its Service Delivery through structured and custom built training and development initiatives. Karvy Fintech has created leadership positions in the areas of Issuer & Corporate Services, Investment Management Services (Mutual Funds, Corporate Registry, AIFs, REITs, InvITs, Global Mutual Funds for overseas clients, Distributor back-office Services, Insurance Back-Office Services, Global Business Services).

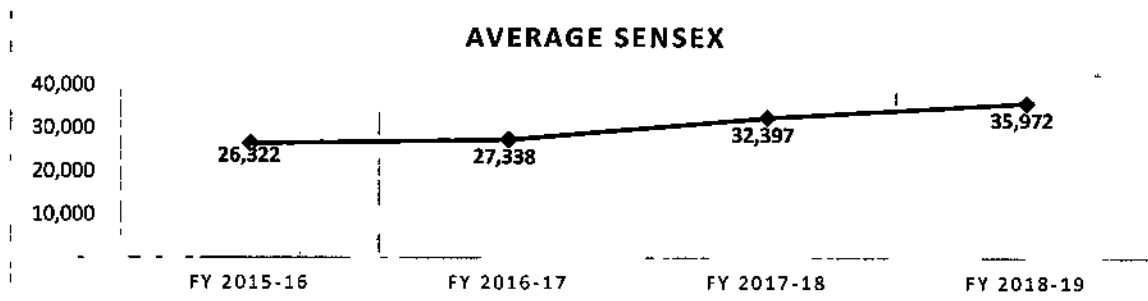
Our mission is to be a most preferred and proactive solutions provider for Investment Managers and Intermediaries, which helps them increase their market share by providing

- (a) an agile platform for product innovation
- (b) widest geographical reach
- (c) technology enabled Omni-channel investor services

B. The year that went:

The year that went by has been yet another eventful year witnessing various ups and downs. While Debt asset class took the hit of various negative news around a few instruments, Equity turned out to be a savior.

An 11% growth in Sensex in a single financial year 2018-19 clearly explains the performance of Equity markets. This perhaps is one of the fastest growth that the market indices have witnessed in any financial year.



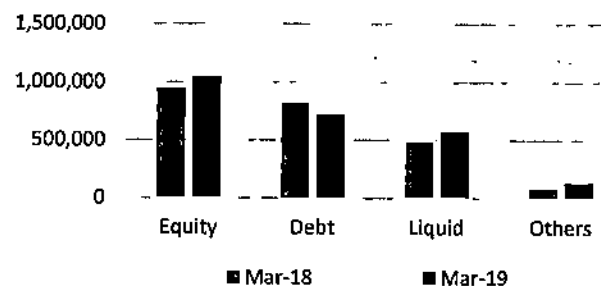
C. Indian Mutual fund Industry trends

The financial year 2018-19 witnessed a growth of 6% in average assets and 13% in folio base over the previous financial year. Against a monthly average AUM of Rs 22,70,694 Crore in March 2018, the Mutual Fund assets in India stood at Rs 24,58,372 Crore in March 2019. While assets across classes have witnessed a growth during the year, Debt asset class witnessed de-growth of 12%.

Yet another year where inflows breached the previous year figure to set an all new record. Overall inflows during the year reached Rs 2,43,94,362 Crore. Netflows, though lower, have been positive to the tune of Rs 1,09,701 Crore. Netflows were significantly impacted due to outflow domination under the Debt asset class.

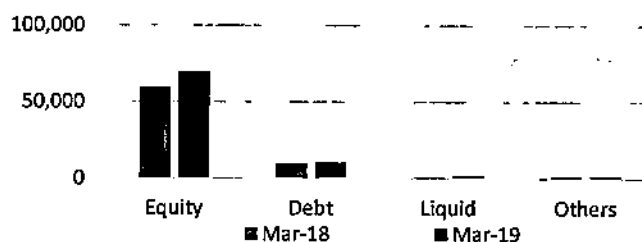
Following is the summary of asset growth in MF industry:

Asset Class	Average AUM (Rs Cr)		Growth
	Mar-18	Mar-19	
Equity	9,44,269	10,44,708	11%
Debt	8,14,308	7,14,921	-12%
Liquid	4,82,310	5,71,466	18%
Others	76,149	1,27,277	67%
Grand Total	23,17,036	24,58,372	6%

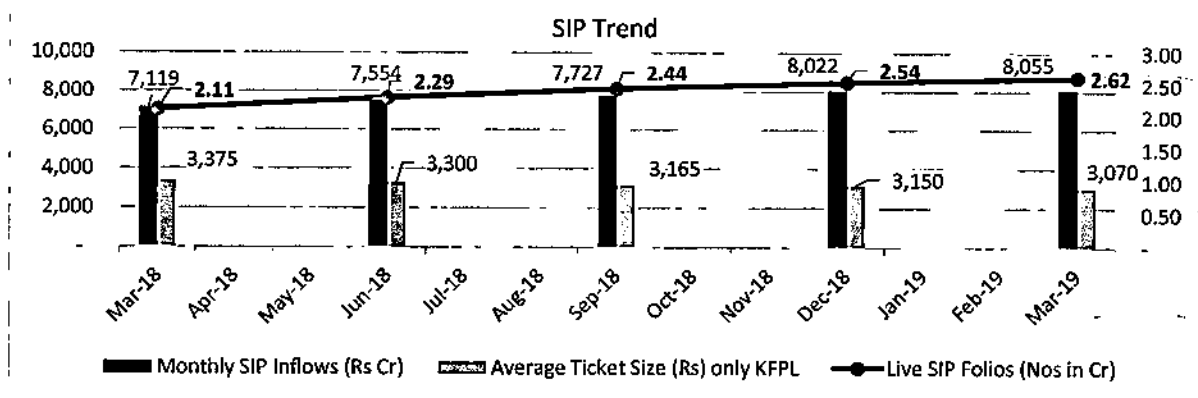


Equity schemes, due to attractive performance, continued attracting more investors to the industry. The financial year 2019 witnessed addition of approx 98.5 lakh folios under this category of schemes. Though the debt assets witnessed de-growth, the folio base under this asset class improved by approx 4%.

Asset Class	Count of Folios ('000)		Growth
	Mar-18	Mar-19	
Equity	59,424	69,270	17%
Debt	9,653	10,001	4%
Liquid	1,095	1,669	52%
Others	1,175	1,517	29%
Total	71,347	82,456	16%



This year has been yet another year that attracted various small investors taking the SIP route. The industry added another 51 lakh fresh SIPs during the month to take the total live SIP accounts to approx 2.62 Crore by March 2019, with a 24% growth.



On the regulatory front, similar to a past few years, even the financial year 2018-19 was being closely monitored by the regulator and resulted in various regulatory introductions. Few of such introductions were:

1. Reduction in the overall TER across asset classes w.e.f. April 2019

2. Abolition of payment of upfront commission to distributors (Upfront only available in select scenarios of SIPs)
3. More transparency through various disclosures of scheme performance
4. Making additional TER eligible only on inflows from retail investors, etc

With a digital push across the industry, from regulators, AMCs as well as distributors, your Company launched its mobile app, KfinKart, in an all new avatar that garnered a lot of positive market feedback. Similarly, the DIT (Distributor Initiated Transaction) platform launched makes your Company the first RTA to launch such a service. During the year, your Company has also initiated various process automation, risk mitigation and cost control measures that are currently in various stages of implementation. A few such initiatives to name are:

Sl No	This initiative	Process efficiency	Cost optimization	Risk mitigation
1	Introduction of penny drop process for investor name validation	✓	✓	✓
2	Name matching with help of 'Fuzzy logic'	✓	✓	✓
3	OCR - cheque reader for capture of bank details	✓	✓	✓
4	Automation of Banking reconciliations	✓	✓	✓
5	Introduction of Chatbots	✓	✓	x
6	API based interfaces between various stakeholders	✓	x	✓
7	Email and mobile validation	✓	x	x
8	Integration of online payment gateway to Korp Connect	✓	x	x
9	Introduction of GRC framework	x	x	✓
10	Consolidation of similar functions across board	✓	✓	✓

Apart from Mutual funds, there were good Like any other year, even the year gone by has witnessed many new developments, roll-out of new product and features, a few of these involve:

- a. Record number of migrations under the Global Fund services (GFS) umbrella towards all, AMC TA, distributor TA and white labelled services
- b. Good progress around onboarding of unlisted companies after regulatory changes called for mandatory dematerialization of shares for new registrations since October 2019
- c. Efficient handling of significant volume spikes in response to the PAN bank mandate letters dispatched to the investors under Corporate registry, based on regulatory guidelines

For the Financial year 2019-20, your Company has target for improvement in marketshare as one of the key drivers apart from constant monitoring and improving customer service scores, bringing in further efficiencies across board, driving cost optimizations and continuously working towards risk mitigation.

D. Corporate Registry trends

(i) Industry landscape:

The initial public offering (IPO) market witnessed a huge slump during financial year 2018-19. Funds raised by the way of IPOs were down 82 per cent year-on-year to Rs 14,902 Crore. The number of issues to hit the market were just 15, the lowest since FY15, compared to 45 in FY18. The slump in primary market activity came even as the benchmark indices gained the most in four years, at 18 per cent. Your Company has more than 50% market share in terms of issue size

and number of IPOs managed as Registrar and 60% market share in terms of number of applications processed.

The year has seen higher traction on listed Non Convertible Debentures (NCDs). During the year 2018-19, a total of 26 NCDs were issues for public with total issue size of Rs 36,788 Crore and 5.27 Lakh applications as compared to 8 NCDs with total issue size of Rs 5,167 Crore and approx. 1 Lakh applications during the previous year. Your Company has 54% market share in terms of number of Debt IPOs. (Source: Prime Database).

During the year, Securities and Exchange Board of India (SEBI) has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 around transfer of physical shares stating that, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. The deadline was set as December 05, 2018 which was further extended to March 31, 2019. This has caused significant increase in the volume of requests for the transfer and demat of shares.

(ii) Key Regulatory Update related to Corporate Registry RTA services:

- (a) SEBI, vide its Circular No SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, issued detailed guidelines to streamline and strengthen the procedures and processes with regard to handling and maintenance of records, transfer / transmission of securities and payment of dividend/interest/redemption, correction of errors etc. by the RTAs, Issuer Companies and Bankers to Issue.

The circular also mandated RTAs to send a letter under Registered / Speed post seeking PAN and bank details from the shareholders where these details are missing within 90 days of the said circular and two reminders thereof after the gap of 30 days. The timeline was subsequently extended to September 30, 2018 for initial letter by Registered / Speed Post and subsequently, two reminders by other modes including ordinary post / courier. This requirement has caused significant postal activities during the year.

- (b) On May 30, 2018, SEBI has amended the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 to align the requirement of maintenance of records for a period of eight years in line with the Prevention of Money Laundering Act, 2002
- (c) SEBI, vide its letter No MIRSD/DOS3/SG/AEA/OW/2018/17144 dated June 13, 2018, allowed RTAs to undertake activities relating to demat of shares of unlisted companies by creating a Strategic Business Unit for an initial period of 3 months, so that the existing infrastructure can be utilized with immediate effect.
- (d) SEBI, vide its circular no. SEBI/HO/MIRSD/DoP/CIR/P/2018/ 119 dated August 10, 2018, mandated Registrars to an Issue and Share Transfer Agents (RTAs) servicing more than 2 Crore folios (QRTAs) to comply with enhanced monitoring requirements and additional reporting on quarterly basis on the compliance of additional requirements.
- (e) The time duration from issue (IPO) closure to listing was shortened from 12 working days to 6 working days with effect from January 01, 2016, making Application Supported by Blocked Amount (ASBA) mechanism as the sole payment mechanism in public issues. SEBI, vide its Circular No SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 and clarification letter no SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 03, 2019, introduced the use of Unified Payments Interface (UPI) as a payment mechanism with Application Supported by Block Amount (ASBA) for applications in public issues by retail individual investors through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants) which will reduce the time duration from issue closure to listing

by upto 3 working days. Implementation of phase I timeline has been extended to June 30, 2019.

- (f) SEBI, vide its circular no. SEBI/HO/MIRSD/DOS3/CIR/P/2018/139 dated November 06, 2018, issued standardized norms for transfer of securities in physical mode in cases of Non-availability of PAN, mismatch of name in PAN card vis-à-vis name on share certificate/ transfer deed, major mismatch / Non-availability of transferor's signature
- (g) SEBI, vide its Circular No SEBI/HO/MIRSD/DOS3/CIR/P/2019/30 dated February 11, 2019, issued a circular for relaxing the requirement of PAN for transfer of equity shares of listed entities executed by non-residents to their immediate relatives with certain conditions.

E. Diversification plan and vision:


The Company has been working with clients to provide newer products & services, based on new digital platform / products. During the year, several new digital assets / products has been launched as mentioned below:

- (a) Distributor Initiated Transactions (DIT) – Platform for Distributors to transact on behalf of Investor
- (b) K-Bolt Go – Scan and Ship platform for physical applications
- (c) White labelled Service – Digital stack for AMCs
- (d) Kfinkart – Investor App
- (e) Karvy KFinPro - IFANXT – Transactioning and reporting platform for IFAs
- (f) Live Streaming of Shareholders meetings
- (g) E-Vault - Maintenance soft data of shareholders, dividend and related transactions, both by RTA & Issuer companies
- (h) Fintrack – to monitor compliance with insider trading regulations

The Company has been getting several Mutual Fund transfer agency mandates from the Malaysian market, making it a meaning contribution to the Company's revenue from outside India market. The Company is continuing to explore further opportunities in the ASEAN markets.

With all the efforts highlighted above and a positive hope that the Industry will further grow in the coming days, based on strong economic indications, we are confident that your Company would witness even better performance in the financial year 2019-20.

For and on behalf of the Board of Directors


C. Parthasarathy
Chairman of the Board
DIN: 00079232
Place: Mumbai
Date: May 22, 2019


V. Ganesh
Managing Director & CEO
DIN: 02282487

EXTRACT OF ANNUAL RETURN**FORM- MGT- 9****As on the financial year ended on 31st March 2019****[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]****I. REGISTRATION AND OTHER DETAILS:**

1. **CIN :**U72400TG2017PTC117649
2. **Registration Date :** 8th June 2017
3. **Name of the Company:** Karvy Fintech Private Limited (Formerly known as KCPL Advisory Services Private Limited)
4. **Category / Sub-Category of the Company:** Limited by share/ Non-Government Company
5. **Address of the Registered office and contact details:**
 Karvy Selenium, Tower B, Plot No- 31 & 32, Financial District,
 Nanakramguda, Serilingampally Hyderabad 500032
 Telephone- 040 3321 5567
 Fax No. 040- 2344 0674
 E-mail: Compliance.kfpl@karvy.com
6. **Whether listed company :** No (Debt securities listed on private placement basis)
7. **Name, Address and Contact details of Registrar and Transfer Agent, if any:** Not applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Database, data management activities, distribution on electronic media (Registrar to Issue and Share Transfer Agent and Record keeper)	72400	92.55%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl.No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary Associate	% of shares held	Applicable Section
1	General Atlantic Singapore Fund Pte. Ltd. Regd Off- 80 Robinson Road #02-00 Singapore 068898	Singapore Company Reg No. 201106196Z	Holding	83.25%	2(46)
2	Karvy Fintech (Bahrain) WLL Flat No. 74, Building-31, Road No. 383, Block305, Manama Centre,	Bahrain Company Reg. No. 39984	Subsidiary	100%	2(87)
3	Karvy Fintech (Malaysia) Sendirian Berhad Level 25, Menara Hong Leong, No. 6, Jalan Damansara	Malaysian Company Reg. No.1178655-U	Subsidiary	100%	2(87)

(C) Others (Specify)									
Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B) (1) + (B) (2)	-	-	-	-	-	-	-	-	-
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	10,000	-	10,000	100%	16,58,31,429	-	16,58,31,429	100%	100%

(ii) Shareholding of Promoters:

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	M. Gangadhar Rao	107	1.07%	-	-	-	-	-1.07%
2.	M. Spandana	786	7.86%	-	-	-	-	-7.86%
3.	Adhiraj Parthasarathy	161	1.61%	-	1,768,324	1.07%	-	-0.54%
4.	Rajat Parthasarathy	161	1.61%	-	1,768,324	1.07%	-	-0.54%
5.	M. Rajini	2216	22.16%	-	-	-	-	-22.16%
6.	M. Ahalya	199	1.99%	-	-	-	-	-1.99%
7.	M. Rushyanth	691	6.91%	-	-	-	-	-6.91%
8.	M. Meena	476	4.76%	-	-	-	-	-4.76%
9.	C. Parthasarathy - HUF	363	3.63%	-	2,184,400	1.32%	-	-2.31%
10.	Jhansi Sureddi	2182	21.82%	-	-	-	-	-21.82%
11.	Compar Estates and Agencies Pvt. Ltd.	2658	26.58%	-	20,243,944	12.21%	-	-14.37%
12.	C Parthasarathy	-	-	-	1,808,345	1.09%	-	1.09%
13.	General Atlantic Singapore Fund Pte Ltd.	-	-	-	138,058,092	83.25%	-	83.25%

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl.No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	M. Gangadhar Rao				
	At the beginning of the year	107	1.07%	107	1.07%
	19 th Nov 2018- Cancellation of Shares	107	1.07%	0	0%
	19 th Nov 2018- Allotment of Demerger shares	1,177,496	0.71%	1,177,496	0.71%
	20 th Nov 2018-Transfer of shares	1,177,496	1.07%	0	0%
	At the End of the year	0	0.0%	0	0.0%
2	M. Spandana				
	At the beginning of the year	786	7.86%	786	7.86%

	19 th Nov 2018- Cancellation of Shares	786	7.86%	0	0%
	19 th Nov 2018- Allotment of Demerger shares	86,43,281	5.21%	86,43,281	5.21%
	20 th Nov 2018-Transfer of shares	86,43,281	5.21%	0	0%
	At the End of the year	0	0.0%	0	0.0%
3	Adhiraj Parthasarathy				
	At the beginning of the year	161	1.61%	161	1.61%
	19 th Nov 2018- Cancellation of Shares	161	1.61%	0	0%
	19 th Nov 2018- Allotment of Demerger shares	1,768,324	1.07%	1,768,324	1.07%
	At the End of the year	1,768,324	1.07%	1,768,324	1.07%
4	Rajat Parthasarathy				
	At the beginning of the year	161	1.61%	161	1.61%
	19 th Nov 2018- Cancellation of Shares	161	1.61%	0	0%
	19 th Nov 2018- Allotment of Demerger shares	1,768,324	1.07%	1,768,324	1.07%
	At the End of the year	1,768,324	1.07%	1,768,324	1.07%
5	M. Rajini				
	At the beginning of the year	2216	22.16%	2216	22.16%
	19 th Nov 2018- Cancellation of Shares	2216	22.16%	0	0%
	19 th Nov 2018- Allotment of Demerger shares	24,377,306	14.70%	24,377,306	14.70%
	20 th Nov 2018-Transfer of shares	24,377,306	14.70%	0	0%
	At the End of the year	0	0.0%	0	0.0%
6	M. Ahalya				
	At the beginning of the year	199	1.99%	199	1.99%
	19 th Nov 2018- Cancellation of Shares	199	1.99%	0	0%
	19 th Nov 2018- Allotment of Demerger shares	2,187,521	1.32%	2,187,521	1.32%
	20 th Nov 2018-Transfer of shares	2,187,521	1.32%	0	0%
	At the End of the year	0	0.0%	0	0.0%
7	M. Rushyanth				
	At the beginning of the year	691	6.91%	691	6.91%
	19 th Nov 2018- Cancellation of Shares	691	6.91%	0	0%

	19 th Nov 2018- Allotment of Demerger shares	7,607,745	4.59%	7,607,745	4.59%
	20 th Nov 2018-Transfer of shares	7,607,745	4.59%	0	0%
	At the End of the year	0	0.0%	0	0.0%
8	M. Meena				
	At the beginning of the year	476	4.76%	476	4.76%
	19 th Nov 2018- Cancellation of Shares	476	4.76%	0	0%
	19 th Nov 2018- Allotment of Demerger shares	5,235,591	3.16%	5,235,591	3.16%
	20 th Nov 2018-Transfer of shares	5,235,591	3.16%	0	0%
	At the End of the year	0	0.0%	0	0.0%
9	Compar Estates and Agencies Pvt. Ltd				
	At the beginning of the year	2658	26.58%	2658	26.58%
	19 th Nov 2018- Cancellation of Shares	2658	26.58%	0	0%
	19 th Nov 2018- Allotment of Demerger shares	29,237,258	17.63%	29,237,258	17.63%
	20 th Nov 2018-Transfer of shares	8,993,314	5.42%	2,02,43,944	12.21%
	At the End of the year	2,02,43,944	12.21%	2,02,43,944	12.21%
10	Jhansi Sureddi				
	At the beginning of the year	2182	21.82%	2182	21.82%
	19 th Nov 2018- Cancellation of Shares	2182	21.82%	0	0%
	19 th Nov 2018- Allotment of Demerger shares	2,40,04,424	14.48%	2,40,04,424	14.48%
	22 nd Nov 2018-Transfer of shares	2,40,04,424	14.48%	0	0%
	At the End of the year	0	0.0%	0	0.0%
11	C. Parthasarathy - HUF				
	At the beginning of the year	363	3.63%	363	3.63%
	19 th Nov 2018- Cancellation of Shares	363	3.63%	0	0%
	19 th Nov 2018- Allotment of Demerger shares	2,184,400	1.32%	2,184,400	1.32%
	At the End of the year	2,184,400	1.32%	2,184,400	1.32%
12	C. Parthasarathy				
	At the beginning of the year	0	0.0%	0	0.0%
	19 th Nov 2018- Allotment of Demerger shares	1,808,345	1.09%	1,808,345	1.09%

	At the End of the year	1,808,345	1.09%	1,808,345	1.09%
13	General Atlantic Singapore Fund Pte. Ltd				
	At the beginning of the year	0	0.0%	0	0.0%
	16 th Nov 2018- Allotment of subscription shares	5,58,31,414	33.67%	5,58,31,414	33.67%
	20 th Nov 2018-Transfer of shares	5,82,22,254	35.11%	11,40,53,668	68.78%
	22 nd Nov 2018-Transfer of shares	2,40,04,424	14.48%	13,80,58,092	83.25%
	At the End of the year	13,80,58,092	83.25%	13,80,58,092	83.25%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Nil

S.No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the End of the year (or on the date of separation, if Separated during the year)	0	0	0	0

(v) Shareholding of Directors and Key Managerial Personnel:

S.No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	C. Parthasarathy				
	At the beginning of the year	0	0.0%	0	0.0%
	19 th Nov 2018- Allotment of Demerger shares	1,808,345	1.09%	1,808,345	1.09%
	At the End of the year	1,808,345	1.09%	1,808,345	1.09%

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment (In Rs Lakh)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year				
Addition	40,000	0	0	40,000
Reduction	0	0	0	0
Net Change	40,000	0	0	40,000
Indebtedness at the end of the financial year				
i) Principal Amount	40,000	0	0	40,000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	1,812.96	0	0	1,812.96
Total (i+ii+iii)	41,812.96	0	0	41,812.96

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

S.No	Particulars of Remuneration	Mr. V Ganesh Managing Director & CEO	Total Amount (In Rs Lakh)
1	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	111.40*	111.40
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify a) Employer contribution to PF b) Expense Reimbursements & Provisions	4.29 1.34	4.29 1.34
Total (A)		115.69	115.69
Ceiling as per the Act		-	-

* With effect from November 17, 2018

B. Remuneration to other Directors: NIL

S. No	Particulars of Remuneration	Name of Directors				Total Amount
	1. Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	0	0	0	0	0
	Total (1)	0	0	0	0	0
	2. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	0	0	0	0	0
	Total (2)	0	0	0	0	0
	Total (B) = (1)+(2)	0	0	0	0	0
	Total Managerial Remuneration	0				
	Overall Ceiling as per the Act	-				

C. Remuneration to key managerial personnel other than MD/MANAGER/WTD:

Sl.No	Particulars of Remuneration	Mr. Rakesh Kumar Santhalia CFO & Company Secretary (In Rs Lakh)
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22.05*
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others, specify...	-
5	Others, please specify a) Employer contribution to PF b) Expense Reimbursements & Provisions	1.03 1.34
	Total (C)	23.09

* With effect from November 17, 2018

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL

Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors



C. Parthasarathy
Chairman of the Board
DIN: 00079232

V. Ganesh
Managing Director & CEO
DIN: 02282487

Place: Mumbai
Date: May 22, 2019

FORM NO. AOC 2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: **None**

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship

S.No.	Name(s) of the related party	nature of relationship
1	Karvy Stock Broking Limited	Enterprises where key management personnel exercise significant influence
2	Karvy Data Management Services Limited	Enterprises where key management personnel exercise significant influence

(b) Nature of contracts/arrangements/transactions and Justification for entering into contracts/arrangements/transactions

S.No	Name(s) of the related party	Nature of contracts/arrangements/transactions	Justification for the contract/arrangement/transactions
1.	Karvy Stock Broking Limited	1. Rent paid 2. Internet bandwidth charges 3. Depository charges 4. Fee from investor services 5. Reimbursement of expenses	To occupy and use premises - payment of monthly rent To use their data bandwidth in the normal course of business To avail their securities broking and DP services
2.	Karvy Data Management Services Limited	1. Rent paid 2. Processing charges 3. Fee from investor services	Storage facility of official records. Data processing charges for the e-Governance projects

(c) Duration of the contracts/arrangements/transactions

S.No	Name(s) of the related party	Duration of the contracts/arrangements/transactions
1.	Karvy Stock Broking Limited	Rent Agreement-Perpetual Data Link sharing Agreement- Perpetual other contracts are in normal course of business
2.	Karvy Data Management Services Limited	Perpetual

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

S.No	Name(s) of the related party	Salient terms of the contracts or arrangements or transactions including the value
1.	Karvy Stock Broking Limited	To occupy and use premises - payment of monthly rent To use their data bandwidth in the normal course of business To avail their securities broking and DP services
2.	Karvy Data Management Services Limited	Storage facility of official records. Data processing charges for the e-Governance projects

(e) Date(s) of approval by the Board, if any:

S.No.	Name(s) of the related party	Date(s) of approval by the Board (pl refer note)
1.	Karvy Stock Broking Limited	17 th Nov 2018
2.	Karvy Data Management Services Limited	17 th Nov 2018

Note: Either directly by the Board or based on the authorization by the Board. However, Board has reviewed and approved all these contracts vide circular resolution dated on 4th March 2019.

(f) Amount paid as advances, if any:

S.No	Name(s) of the related party	Amount paid as advances
1	Karvy Stock Broking Limited	Nil
2.	Karvy Data Management Services Limited	Nil

For and on behalf of the Board of Directors


C. Parthasarathy
Chairman of the Board
DIN: 00079232


V. Ganesh
Managing Director & CEO
DIN: 02282487

Place: Mumbai
Date: May 22, 2019

B S R & Associates LLP

Chartered Accountants

Salarpuria Knowledge City
Orwell, B Wing, 6th Floor, Unit-3
Sy. No. 83/1, Plot No. 2, Raidurg
Hyderabad-500081, India.

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INDEPENDENT AUDITORS' REPORT

To the Members of Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited)

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the standalone Ind AS financial statements of Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited) ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2019, and the Standalone Statement of Profit and Loss (including other comprehensive income), standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (herein together referred to as 'Standalone Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("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 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of matter

We draw your attention to Note 40 of the Standalone Ind AS financial statements regarding the amalgamation of Karvy Computershare Private Limited (KCPL) and the 'RTA Undertaking' of Karvy Consultants Limited (KCL) into the Company with effect from 17th November 2018 and its consequential impacts as detailed in the said note. As specified in the Scheme of Amalgamation, the amalgamation has been accounted for as per the Purchase Method of accounting specified in Accounting Standard 14 - on 'Accounting for Amalgamations'. All assets and liabilities of KCPL and of the RTA Undertaking of KCL have been recorded at their respective existing book values. The difference between the book values of the net assets so recorded and the consideration (being the face value of equity shares issued by the Company to the shareholders of KCL and cost of investment in equity shares of KCPL) amounting to INR 67,491.55 lakhs has been debited to Goodwill. This Goodwill is being amortised in the Statement of Profit and Loss over a period of ten years as per the terms of the Scheme. The accounting treatment of this transaction is different from that prescribed under Ind AS 103 - 'Business Combinations'. Our opinion is not modified in respect of this matter.

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Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Pvt. Ltd.)
Independent Auditor's Report of the Standalone Ind AS Financial Statements

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How the matter was addressed in our audit
<p>Revenue Recognition</p> <p>Refer Note 2(L) and 28 to the Standalone Ind AS financial statements.</p> <p>Revenue is a key performance measure for the Company. Revenue is generated from two key services namely registry services and data processing services. Revenue is recognised as per the terms of the contract with the respective customers and when it meets the recognition criteria as per Ind AS 115 on 'Revenue from contracts with customers'.</p> <p>There exists a risk of revenue not being recognised in proportion to the service performed by the Company. Further, revenue may also be recorded in an incorrect period or on a basis that is inconsistent with the contractual terms agreed with the client. Further, the revenue recognition process of the Company is dependent on complex information technology systems. We, therefore recognised revenue recognition as a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> ➤ Assessing the appropriateness of the revenue recognition accounting policies, by comparing with applicable accounting standards; ➤ Evaluating the design of controls and operating effectiveness of the relevant controls with respect to revenue recognition; ➤ Involving our information technology specialists to test the general information technology controls and information technology controls surrounding revenue recognition. ➤ Performing substantive testing by selecting samples using statistical sampling for revenue transactions recorded during the year by verifying the underlying documents. ➤ Performing confirmation procedures on selected using statistical sampling customer balances at the balance sheet date. ➤ Testing on a sample basis, specific revenue transactions recorded before and after the financial year end date to determine whether the revenue has been recognised in the appropriate financial period.

Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Pvt. Ltd.)
Independent Auditor's Report of the Standalone Ind AS Financial Statements

Key audit matters	How the matter was addressed in our audit
<p>Valuation of Trade Receivables Refer Note 2(M& P) and 13 to the Standalone Ind AS financial statements.</p> <p>As at 31 March 2019, gross trade receivables of the Company amounted to INR. 8,729.52 lakhs. The details of trade receivables and their credit risk have been disclosed in Note 43 to the standalone Ind AS financial statements.</p> <p>The Company has created a provision on the basis of Expected Credit Loss model (ECL). The Company has measured the lifetime expected credit loss by using practical expedients. It has accordingly used a provision matrix derived by using a flow rate model to measure the expected credit losses for trade receivables. It has also considered time value of money in arriving at the loss allowance. Further, need for incremental provisions have been evaluated on a case to case basis where forward looking information on the financial health of a customer is available.</p> <p>The provision for impairment of trade receivables amounted to Rs. 804.72 Lakhs as at 31 March 2019.</p> <p>The determination of whether the trade receivables are recoverable involves significant management judgment and inherent subjectivity given uncertainty regarding the ability of the customer to settle their debts.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> ➤ Testing the methodology applied in the expected credit loss provision calculation by comparing it to the requirements of Ind AS 109 on Financial Instruments, and testing the mathematical accuracy of management's model used to calculate impairment provision; ➤ Circulating trade receivable confirmations on a sample basis using statistical sampling method and also testing underlying invoices where confirmations were not received; ➤ Assessing collections subsequent to the balance sheet date ; and ➤ We challenged the management on the collectability of trade receivables, adequacy of loss allowance for doubtful debts and for any known credit losses on account of the financial health of customers.
<p>Accounting for amalgamation Refer Notes 2(W) and 40 to the Standalone Ind AS financial statements</p> <p>As indicated in the above referred notes to the standalone Ind AS financial statements, pursuant to a Scheme of Amalgamation approved by the National Company Law Tribunal on 23 October 2018 (NCLT order), Karvy Computershare Private Limited and the 'RTA Undertaking' of Karvy Consultants Limited were amalgamated into the Company with effect from 17 November 2018.</p> <p>As specified in the Scheme of Amalgamation, the amalgamation has been accounted for as per the Purchase Method of accounting specified in</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> ➤ Understanding the terms and conditions specified in the Scheme of amalgamation and in the NCLT order. ➤ Testing that the accounting for the amalgamation is in accordance with the approved Scheme. ➤ Testing that the assets and liabilities of KCPL and the RTA undertaking of KCL have been recorded as their existing book values.

Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Pvt. Ltd.)
Independent Auditor's Report of the Standalone Ind AS Financial Statements

<p>Accounting Standard 14 - on 'Accounting for Amalgamations'. All assets and liabilities of KCPL and of the RTA Undertaking of KCL have been recorded at their respective existing book values.</p> <p>The difference between the book values of the net assets so recorded and the consideration (being the face value of equity shares issued by the Company to the shareholders of KCL and cost of investment in equity shares of KCPL as per the books of the Company) amounting to INR 67,491.55 lakhs has been debited to Goodwill. This Goodwill is being amortised in the Statement of Profit and Loss over a period of ten years as per the terms of the Scheme.</p> <p>We identified the accounting for this amalgamation as a key audit matter because of the significance of its impact on the standalone Ind AS financial statements of the Company.</p>	<ul style="list-style-type: none"> ➤ Assessing whether goodwill has been accurately computed. ➤ Assessing whether appropriate reporting and disclosure of this transaction are included in the Standalone Ind AS financial statements with reference to the requirements of the applicable accounting standards.
<p>Impairment test of goodwill</p> <p>Refer notes 2(H) and 45 to the standalone Ind AS financial statements</p> <p>The Company has recognised goodwill of INR 67,491.55 lakhs (31 March 2018: INR Nil) arising from a Scheme of Amalgamation of Karvy Computershare Private Limited with the Company (Refer Note 40 to standalone Ind AS Financial Statements)</p> <p>Due to the significance of the Group's recognised goodwill and the inherent uncertainty of forecasting and discounting of future cash flows for the purpose of testing the goodwill for impairment, this is deemed to be a significant area of judgment.</p> <p>The annual impairment testing of goodwill is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgment required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount which is based on the higher of the value in use or fair value less costs to sell, has been derived from discounted forecast cash flow models. These models use several key assumptions, including estimates of future sales and prices, operating costs, terminal value growth rates and the weighted-average cost of capital (discount rate).</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> ➤ involving independent valuation specialist to assist in evaluating the appropriateness of the discount rates applied, which included comparing the weighted-average cost of capital with sector averages for the relevant markets in which the Company operates; ➤ evaluating the appropriateness of the assumptions applied to key inputs such as sales, operating costs and long-term growth rates; ➤ performing our own sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact on the currently estimated headroom; and ➤ evaluating the adequacy of the standalone financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities.

**Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Pvt. Ltd.)
Independent Auditor's Report of the Standalone Ind AS Financial Statements**

Other Information

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

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS 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.

Management's Responsibility for the Standalone Ind AS Financial Statements

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

In preparing the standalone Ind AS financial statements, management and Board of Directors are 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.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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



Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Pvt. Ltd.)
Independent Auditor's Report of the Standalone Ind AS Financial Statements

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements (continued)

- Identify and assess the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Pvt. Ltd.)
Independent Auditor's Report of the Standalone Ind AS Financial Statements

Other matters

The comparative financial information of the Company for the year ended 31 March 2018 included in these standalone Ind AS financial statements, are based on the previously issued statutory standalone financial statements prepared in accordance with Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2018 expressed an unmodified opinion dated 27 August 2018 on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

(A) 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements, read with the matter referred to in the Emphasis of Matter section above, comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 B".

(B) With respect to the other matters to be included in the Auditors' 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 31 March 2019 on its financial position in its standalone Ind AS financial statements - Refer Note 36 to the standalone Ind AS financial statements.

Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Pvt. Ltd.)
Independent Auditor's Report of the Standalone Ind AS Financial Statements

Report on Other Legal and Regulatory Requirements (continued)

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the standalone Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16): In our opinion and according to the information and explanations given to us, the provisions of section 197 are not applicable to the Company.

for B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024



Akhil Kapadiya

Partner

Membership Number: 212991

Place: Hyderabad

Date: 22 May 2019

Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited)
Annexure A to the Independent Auditor's Report on the standalone financial statements

With reference to the Annexure A referred to in our Report of even date to the Members of Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited) ("the Company") on the standalone Ind AS financial statements for the year ended 31 March 2019, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies were noticed on such verification.
 - (c) The Company does not own any immovable properties. Accordingly, the provisions of Clause (i) (c) of the Order are not applicable to the Company.
- ii. The Company is engaged in the business of rendering services and it does not hold any physical inventories. Accordingly, the provisions of Clause (ii) of the Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 (the Act). Accordingly, the provisions of Clause (iii) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, there are no loans, investments, guarantees and security given in respect of which provisions of section 185 and 186 of the Act are applicable. Accordingly, the provisions of clause (iv) of the Order 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. Accordingly, the provisions of Clause (v) of the Order are not applicable to the Company.
- 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 services rendered by the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Cess, Goods and Service Tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. Refer Note 36(d) to the standalone Ind AS financial statements.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Service Tax, Cess, Goods and Service Tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

As explained to us, the Company did not have any dues on account of Sales Tax, Duty of Customs and Duty of Excise.

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Karvy Fintech Private Limited

Annexure A to the Independent Auditor's Report on the standalone financial statements

(continued)

(b) According to the information and explanations given to us, there are no dues of Income-Tax, Sales Tax, Goods and Service Tax which have not been deposited with appropriate authorities on account of any dispute, other than disputed dues of service tax under the Finance Act, 1994 amounting to Rs 1,146.11 lakhs (excluding interest and penalty) relating to the period September 2004 to January 2007 which is presently pending at Customs, Excise and Service Tax Appellate Tribunal.

As explained to us, the Company did not have any dues on account of Sales Tax, Duty of Customs and Duty of Excise.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to debenture holders during the year. Further, the Company does not have any outstanding loans or borrowings to any financial institutions, banks or Government during the year.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans.
- 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 (xi) of the Order are not applicable to the Company.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Therefore, the provisions of Clause (xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has complied with the provisions of Section 42 of the Act in respect of preferential allotment of shares made during the year. Further, according to the information and explanations given to us and based on our examination of the records of the Company, we report that the amounts raised have been used for the purpose for which the funds were raised. The Company has not made any preferential allotment of fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause (xv) of the Order are not applicable to the Company.
- 

Karvy Fintech Private Limited

Annexure A to the Independent Auditor's Report on the standalone financial statements

(continued)

- xvi. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause (xvi) of the Order are not applicable to the Company.

for B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration Number. : 116231W/W-100024



Akhil Kapadiya

Partner

Membership number. 212991

Place : Hyderabad

Date : 22 May 2019

Annexure B to the Independent Auditors' report on the standalone Ind AS financial statements of Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited) for the year ended 31 March 2019.

Report on the internal financial controls with reference to the aforesaid standalone Ind AS financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Pvt. Ltd.) ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

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, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 were established and maintained and whether such controls operated effectively in all material respects.

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 such internal financial controls, 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

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Annexure B to the Independent Auditors' report on the standalone Ind AS financial statements of Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited) for the year ended 31 March 2019 (continued)

Auditors' Responsibility (continued)

selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Financial Statements

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 include 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

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.

for B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration Number. : 116231W/ W-100024



Akhil Kapadiya

Partner

Membership Number. 212991

Place : Hyderabad

Date : 22 May 2019

Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited)
Standalone Balance Sheet
(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2019	As at 31 March 2018
I. ASSETS			
(1) Non-current assets			
Property, plant and equipment	3	3,810.82	-
Capital work in progress		36.56	-
Goodwill	4	64,995.29	-
Other intangible assets	5	801.31	-
Financial assets			
(i) Investments in subsidiaries	6	1,521.96	-
(ii) Loans	7	372.58	-
(iii) Other non-current financial assets	8	80.19	-
Deferred tax assets (net)	9	1,808.84	3.78
Non-current tax assets	10	333.32	-
Other non-current assets	11	70.99	-
Total non-current assets		73,831.86	3.78
(2) Current assets			
Financial assets			
(i) Investments	12	11,050.66	-
(ii) Trade receivables	13	7,924.80	-
(iii) Cash and cash equivalents	14	1,372.80	1.00
(iv) Bank balances other than cash and cash equivalents	15	3,094.66	-
(v) Loans	16	22.11	-
(vi) Other current financial assets	17	1,606.08	-
Other current assets	18	389.30	-
Total current assets		25,460.41	1.00
Total assets		99,292.27	4.78
II. EQUITY AND LIABILITIES			
(1) Equity			
Equity share capital	19	16,583.14	1.00
Other equity	20	35,286.71	(7.03)
Total equity		51,869.85	(6.03)
(2) Non-current liabilities			
Financial liabilities			
(i) Borrowings	21	37,286.71	-
Provisions	22	340.10	-
Total non-current liabilities		37,626.81	-
(3) Current liabilities			
Financial liabilities			
(i) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	23	3.41	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	23	2,153.48	0.06
(ii) Other current financial liabilities	24	6,115.85	10.75
Other current liabilities	25	1,199.22	-
Provisions	26	237.42	-
Current tax liabilities (net)	27	86.23	-
Total current liabilities		9,795.61	10.81
Total liabilities		47,422.42	10.81
Total equity and liabilities		99,292.27	4.78

Significant accounting policies

I & 2

The accompanying notes are an integral part of these standalone Ind AS financial statements

As per our Report on standalone Ind AS financial statements of even date attached

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration no : 116231 W/W-100024



Akhil Kapadiya

Partner

Membership no : 212991

Place : Hyderabad

Date : 22 May 2019

for and on behalf of Board of Directors of

Karvy Fintech Private Limited

CIN : U72400TG2017PTC117649



C. Parthasarathy

Chairman

DIN:00079232

Place : Mumbai

Date : 22 May 2019



V Ganesh

Managing director & CFO

DIN:02282487



Rakesh Santhalia

CFO & Company secretary

Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited)
Standalone Statement of Profit and Loss
(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2019	For the period ended 31 March 2018
Income			
I. Revenue from operations	28	15,869.27	-
II. Other income	29	219.10	-
III. Total Income (I+II)		16,088.37	-
IV. Expenses			
Employee benefits expense	30	6,309.69	-
Finance Cost	31	1,907.86	-
Depreciation and amortisation expense	32	3,043.52	-
Other expenses	33	3,477.19	10.81
Total expenses (IV)		14,738.26	10.81
V. Profit before tax (III-IV)		1,350.11	(10.81)
VI. Tax expense:			
Current tax	35	271.55	-
Deferred tax expense/ (credit)	35	230.26	(3.78)
		501.81	(3.78)
VII. Profit for the year / period (V-VI)		848.30	(7.03)
VIII. Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		79.81	-
Income tax relating to remeasurement of defined benefit plans	35	(27.89)	-
B. Items that will be subsequently reclassified to profit or loss		-	-
Total Other Comprehensive Income for the year / period, net of tax (VIII)		51.92	-
IX. Total Comprehensive Income for the year / period (VII+VIII)		900.22	(7.03)
X. Earnings per equity share (face value of INR 10 each)			
Basic		1.38	(70.30)
Diluted	34	1.38	(70.30)

Significant accounting policies

I & 2

The accompanying notes are an integral part of these standalone Ind AS financial statements
As per our Report on standalone Ind AS financial statements of even date attached

for **BSR & Associates LLP**
Chartered Accountants
ICAI Firm Registration no : 116231 W/W-100024

for and on behalf of Board of Directors of
Karvy Fintech Private Limited
CIN : U72400TG2017PTC117649



Akhil Kapadiya
Partner
Membership no : 212991



C. Parthashrathy
Chairman
DIN:00079232



V Ganesh
Managing director & CEO
DIN:02282487



Rakesh Santhalia
CFO & Company secretary

Place : Hyderabad
Date : 22 May 2019

Place : Mumbai
Date : 22 May 2019

Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited)
Standalone Statement of Changes in Equity
(All amounts are in INR Lakhs, unless otherwise stated)

(a) Equity share capital

Balance as at 31 March 2018 1.00
 Shares issued during the year 16,583.14
 Shares cancelled during the year (1.00)
Balance as at 31 March 2019 16,583.14

As at 31st March 2019

(b) Other equity

Particulars	Reserves and Surplus				Other comprehensive income	Total
	Securities premium	Capital reserve	Debt redemption reserve	Retained earnings	Remeasurement of defined benefit plans	
Opening Balance as at 1 April 2017	-	-	-	-	-	-
Created during the year	-	-	-	-	-	-
Charged during the year	-	-	-	-	-	-
Profit for the year	-	-	-	(7.03)	-	(7.03)
Other comprehensive income for the period	-	-	-	-	-	-
Balance as at 31 March 2018	-	-	-	(7.03)	-	(7.03)
Issue of equity shares	35,765.60	1.00	-	-	-	35,766.60
Commission paid on issue of shares, (net of tax)	(1,373.08)	-	-	-	-	(1,373.08)
Profit for the year	-	-	-	848.30	-	848.30
Transfer to DDR	-	-	750.00	(750.00)	-	-
Other comprehensive income for the period, (net of tax)	-	-	-	-	51.92	51.92
Balance as at 31 March 2019	34,392.52	1.00	750.00	91.27	51.92	35,286.71


The accompanying notes are an integral part of these standalone Ind AS financial statements
 As per our Report on standalone Ind AS financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
 ICAI Firm Registration no. : 116231 W/W-100024


Akhil Kapadiya
 Partner
 Membership no. : 212991

Place : Hyderabad
 Date : 22 May 2019

for and on behalf of Board of Directors of
Karvy Fintech Private Limited
 CIN : U72400TG2017PTC117649


C. Parthasarathy
 Chairman
 DIN:00079232


V Ganesh
 Managing director & CFO
 DIN:02282487


Rakesh Santhalia
 CFO & Company secretary

Place : Mumbai
 Date : 22 May 2019

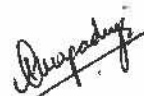
Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited)
Standalone Statement of Cash Flows
(All amounts are in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2019	For the period ended 31 March 2018
A. Cash flows from operating activities		
Net profit before tax	1,350.11	(10.81)
Adjustment for:		
Depreciation and amortisation expense	3,043.52	-
Interest income on deposits	(117.37)	-
Dividend income from current investments	(89.93)	-
Liabilities no longer required written back	(6.50)	-
Unrealised foreign exchange loss, net	26.79	-
Interest on non convertible debentures	1,907.86	-
Provision for doubtful debts	22.40	-
Operating profit before working capital changes	6,136.88	(10.81)
Working capital adjustments:		
Decrease in trade receivables	462.73	-
Decrease in other current financial assets	1,739.69	-
Decrease in loans	815.64	-
Decrease in other non-current financial assets	33.47	-
Decrease in other assets	70.63	-
Decrease in trade payables	(861.70)	0.06
Decrease in other current financial liabilities	(983.64)	-
Increase in other current liabilities	232.58	10.75
Increase in current provisions	59.55	-
Cash generated from operations	7,705.83	-
Income taxes paid	(1,824.14)	-
Net cash generated from operating activities (A)	5,881.69	-
B. Cash flow from investing activities		
Purchase of property, plant and equipment, goodwill and intangible assets (including capital work-in-progress)	(520.05)	-
Investment in subsidiaries	(81,319.60)	-
Fixed deposits placed with banks (other than cash and cash equivalents)	(893.81)	-
Proceeds from redemption of mutual funds	7,541.32	-
Purchase of mutual funds	(11,400.00)	-
Interest income	117.37	-
Dividend income from current investments	89.93	-
Net cash used in investing activities (B)	(86,384.84)	-
C. Cash flows from financing activities		
Proceeds from issue on non-convertible debentures	40,000.00	1.00
Proceeds from issue of equity shares at premium	41,348.74	-
Commission paid on issue of shares	(2,110.61)	-
Processing fees paid on issue of non-convertible debentures	(1,198.69)	-
Interest paid on debentures	(108.48)	-
Net cash generated from financing activities (C)	77,930.96	1.00
D. Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(2,572.19)	1.00
Cash and cash equivalents at the beginning of the year	1.00	-
Cash and cash equivalents transferred pursuant to scheme of amalgamation (Refer Note 40)	3,943.99	-
Cash and cash equivalents at the end of the year	1,372.80	1.00
E. Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash on hand	0.81	-
Balance with banks:		
(i) in current accounts	1,371.99	1.00
	1,372.80	1.00

- Notes
- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Cash Flow Statements".
 - Refer Note 21 for reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities.
 - As indicated in Note 40, the RTA undertaking of KCL and KCPL were amalgamated into the Company with effect from 17 November 2018. The above cash flow statement has been adjusted for the effect of the amalgamation.

As per our Report on standalone Ind AS financial statements of even date attached

for **BSR & Associates LLP**
Chartered Accountants
ICAI Firm Registration no : 116231 W/W-100024



Akhil Kapadiya
Partner
Membership no : 212991

Place : Hyderabad
Date : 22 May 2019

for and on behalf of Board of Directors of
Karvy Fintech Private Limited
CIN : U72400TG2017PTC117649



C. Parthasarathy
Chairman
DIN:00079232

Place : Mumbai
Date : 22 May 2019



V Ganesh
Managing director & CEO CFO & Company secretary
DIN:02282487



Rakesh Santhalia

1. Reporting entity

Karvy Fintech Private Limited ("the Company") was incorporated on 08 June 2017 at Hyderabad, India in the name of KCPL Advisory Services Private Limited. The name of the Company changed from KCPL Advisory Services Private Limited to Karvy Fintech Private Limited on 10 August 2017. The Company's registered office is at Karvy Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad, Rangareddi Telangana 500032. The Company is engaged in providing service of Registrar to the Public Issue of Securities, Registrar to the Securities Transfers, and back office operations to mutual fund houses and data processing activities.

2. Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

A. Basis of preparation

The financial statements the Company comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.

The financial statements up to and for the period ended 31 March 2018 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended), notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 47.

These financial statements were authorised for issue by the Board of Directors on 22 May 2019.

B. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise stated.

C. Basis of measurement

The financial statements have been prepared under the historical cost convention on accrual basis except for the following items:

- Defined benefit liability/ (assets): fair value of plan assets less present value of defined benefit obligation
- Certain financial assets and liabilities that are measured at fair value or amortised value



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C. Basis of measurement

Fair value measurement

Fair value is the price that would be received from sale of 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 the asset or transfer the liability takes place either –

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

The principal or the most advantageous market must be accessible to/ by the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole-

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

D. Use of judgments and estimates

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

a) Judgements

Information about the judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

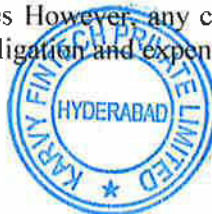
- Note L - revenue recognition
- Note R - classification of leases into finance and operating lease
- Note P - classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included below:

- *Employee benefit plans*

The cost of defined benefit plans and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rates. However, any changes in these assumptions may have impact on the reported amount of obligation and expenses. (Refer note K)



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- *Taxes*

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. The Company establishes provisions, based on reasonable estimates, for possible consequences of assessment by the tax authorities of the jurisdiction in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax assessment and differing interpretations of tax laws by the taxable entity and the responsible tax authority. The Company assesses the probability for litigation and subsequent cash outflow with respect to taxes.

Deferred income tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. (Refer note Q)

- *Useful life and residual value of property, plant and equipment and intangible assets*

The charge in respect of periodic depreciation is derived after estimating the asset's expected useful life and the expected residual value at the end of its life. The depreciation method, useful lives and residual values of Company's assets are estimated by Management at the time the asset is acquired and reviewed during each financial year. (Refer note F)

- *Impairment of financial assets*

Analysis of historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. (Refer note P)

- *Provisions and contingencies*

Assessments undertaken in recognizing the provisions and contingencies have been made as per the best judgment of the management based on the current available information. (Refer note O)

- *Fair value measurement of financial instruments*

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgments is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. (Refer note P)

- *Impairment of non-financial assets: Key assumptions for discount rate, growth rate, etc.*

The determination of recoverable amounts of the CGUs assessed in the annual impairment test requires the Company to estimate their fair value net of disposal costs as well as their value-in-use. The assessment of value-in-use requires assumptions to be made with respect to the operating cash flows of the CGUs as well as the discount rates. (Refer note I).



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E. Classification of assets and liabilities as current and non-current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Deferred tax assets are classified as non-current assets.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

F. Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost of acquisition or construction 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, after deducting trade discounts and rebates, 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.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of property, plant and equipment is recognised in Statement of Profit and loss.

Subsequent Measurement

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



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F. Property, plant and equipment (continued)

Depreciation

The Company provides depreciation on Property, Plant and Equipment, other than vehicles and leasehold improvements based on the useful life specified in Schedule II to the Companies Act, 2013.

The depreciation is provided under straight-line method. The management based on the actual usage of vehicles has provided depreciation at the estimated useful life of 5 years as against the useful life of 8 years as specified under Schedule II to the Companies Act, 2013.

Leasehold improvements are amortised over the primary period of the lease or the estimated useful life of the assets, whichever is lower.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Asset category	Estimated useful life (Years)
Plant and machinery	2-15
Electrical installations	3-10
Furniture and fixtures	1-8
Computers	3
Office equipment	3-5

G. Intangible assets

Intangible Assets acquired separately are stated at cost less accumulated amortisation and impairment loss, if any.

Intangible assets are amortised in the Statement of Profit and Loss over their estimated useful lives from the date they are available for use based on the expected pattern of economic benefits of the asset. Intangible asset are amortised on straight line basis

Computer Software

Computer Software is amortised using the straight-line method over a period of 3 to 6 years.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.



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H. Goodwill

Goodwill on acquisitions of businesses is reported separately from intangible assets. As stated in the approved scheme of amalgamation and arrangement approved by National Company Law Tribunal, Hyderabad goodwill is being amortised over period of 10 years (Refer Note 40). Goodwill is tested for impairment at each reporting period and is carried at cost less accumulated amortization and accumulated impairment losses, if any

I. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates the cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a Cash generating unit (CGU) (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

Where it is not possible to estimate the recoverable amount of individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit and Loss.

J. Foreign currency transactions

Transactions in foreign currencies are recorded by the company at the exchange rates prevailing at the date when the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Foreign currency gains and losses are reported on a net basis in the statement of profit and loss.



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K. Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

The Company's contribution towards employee provident fund to Government administered provident fund scheme is considered as a defined contribution plan and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

A defined contribution plan is a post-employment benefit plan under which an entity 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 profit or loss in the periods during which the related services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Gratuity

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The contributions made to the fund are recognised as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognised in the Balance Sheet. Re-measurements are recognised in the other comprehensive income, net of tax in the year in which they arise.

When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.



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K. Employee benefits (continued)

Other long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets, if any out of which the obligations are expected to be settled. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

L. Revenue

Effective 1 April 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method, applied to the contracts that were not completed as of 1 April 2018 and therefore the comparatives have not been restated and continues to be reported as per Ind AS 18 "Revenue". Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. The effect on adoption of Ind AS 115 was insignificant.

Revenue from registry and related services and communication services is recognised on the basis of services rendered to customers, in accordance with the terms and conditions of the contracts entered into by the Company with each customer provided, the revenue is reliably determinable and no significant uncertainty exist regarding the collection.

Income from pension fund solutions represents services which are recognized as per the terms of the contract with customers, when such related services are rendered.

Revenue from data processing services is recognised based on the services rendered, in accordance with the terms of the contract, either on a time cost basis.

Recoverable expenses represents expenses incurred in relation to service performed and are recognised on the basis of billing to customers, in accordance with the terms and conditions of the agreements entered into by the Company with each customer.

Work-in-progress (unbilled revenue) represents revenue from services rendered, recognised based on services performed in advance of billing based on the terms and conditions mentioned in the agreements with the customers.

Income from interest on deposits and interest bearing securities is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate.

Dividends are recognised in statement of profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

M. Trade receivables

Trade receivables are amounts due from customers for services rendered in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost, less provision for expected credit loss.



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N. Investment in Subsidiaries

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

O. Provisions, contingent liabilities and contingent assets

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the entity. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets are not recognised in the financial statements but disclosed, where an inflow of economic benefit is probable.

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognises any impairment loss on the assets associated with that contract.

P. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts, embedded derivatives in the host contract, etc.

Financial assets

Initial recognition and measurement

The Company initially recognise financial assets on the date on which they are originated. The company recognises the financial assets on the trade date, which is the date on which the company becomes a party to the contractual provision of the instrument.

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset except assets measured at fair value through profit or loss



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P. Financial instruments (continued)

Classifications and subsequent measurement

Classifications

The company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Assessment whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Debt instrument at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at Fair value through profit and loss (FVTPL):

- a) it is held within a business model whose objective is to hold 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 on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at fair value through Other Comprehensive Income (FVOCI)

A financial asset is measured at FVOCI only if both of the following conditions are met:

- a) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- b) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at fair value with changes in fair value recognised in other comprehensive income (OCI). Interest income is recognised basis EIR method and the losses arising from ECL impairment are recognised in the profit or loss.

Debt instrument at fair value through profit and loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL.



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P. Financial instruments (continued)

Reclassification of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment of financial assets

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.



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P. Financial instruments (continued)

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the standalone balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

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

Classification and subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, financial liabilities are measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the profit or loss.



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P. Financial instruments (continued)

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains and losses attributable to changes in own credit risk are recognised in OCI. These gains and losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Derecognition of financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously ('the offset criteria').

Q. Income taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

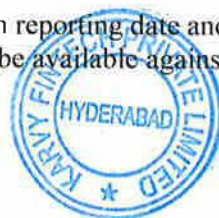
Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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.



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Q. Income taxes (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Minimum Alternative Tax (MAT) is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of credit to the standalone statement of profit and loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

R. Leases

Determining whether an arrangement contains a lease

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

S. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of directors of the company have been identified as being the Chief operating decision maker by the management of the company.

In accordance with Ind AS 108- "Operating Segment", segment information has been furnished in the Consolidated Financial Statements. Hence, no disclosure is included in this regard in these standalone financial statements



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T. Cash and cash equivalents

Cash and cash equivalents are short-term highly liquid investments that are readily convertible into cash with original maturities of three months or less. Cash and cash equivalents consist primarily of cash and deposits with banks and interest accrued on deposits.

U. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

V. Earnings per share

Basic earnings per share ("EPS") is computed by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date.

W. Business combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition. Acquisition related costs are expensed as incurred.

In case of business combinations taking under scheme of amalgamation approved by Courts in India, the accounting treatment as specified in the court order is followed for recording such business combination.

X. Standards issued but not yet effective

Ind AS 116- Leases

On 30 March 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases. The core principle of the new standard is that an entity should recognise a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The Company shall recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

The Company will adopt the standard on 01 April 2019 by using the modified retrospective approach and accordingly comparatives for the year ended 31 March 2019 will not be retrospectively adjusted. The Company plans to apply the practical expedient to grandfather the definition of a lease on transition.

This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

The Company is currently evaluating the effect of IND AS 116 on the financial statements.



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X. Standards issued but not yet effective (continued)

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 23 – Borrowing costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.



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X. Standards issued but not yet effective (continued)

Amendment to Ind AS 28 - Long term interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

Amendment to Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control/ joint control of a business that is a joint operation.



3 Property, plant and equipment

Particulars	Gross block			Accumulated Depreciation			Net Block	
	As at 1 April 2018	On account of business combination*	As at 31 March 2019	As at 1 April 2018	For the year	Deletions	As at 31 March 2019	As at 1 April 2018
Leasehold improvements	-	1,592.44	1,592.44	-	129.45	-	1,462.99	-
Computers and other related assets	-	1,841.55	1,944.56	-	261.48	-	1,683.08	-
Furniture and fixtures	-	196.17	196.17	-	12.10	-	184.07	-
Office equipment	-	363.27	374.59	-	71.05	-	303.54	-
Plant and Machinery	-	70.82	70.82	-	2.38	-	68.44	-
Vehicles	-	98.90	118.90	-	10.20	-	108.70	-
Total	-	4,163.15	4,297.48	-	486.66	-	3,810.82	-

As at 31 March 2019, all the above property, plant and equipment are subject to first charge to secure the non-convertible debentures. Refer Note 21

*Refer Note 40 for the business combination during the year.

4 Goodwill

Particulars	Gross block			Accumulated Amortisation			Net Block	
	As at 1 April 2018	On account of business combination*	As at 31 March 2019	As at 1 April 2018	For the year	Deletions	As at 31 March 2019	As at 1 April 2018
Goodwill arising on business combination	-	67,491.55	67,491.55	-	2,496.26	-	64,995.29	-
Total	-	67,491.55	67,491.55	-	2,496.26	-	64,995.29	-

*Refer Note 40 for the business combination during the year.

5 Other intangible assets

Particulars	Gross block			Accumulated Amortisation			Net Block	
	As at 1 April 2018	On account of business combination*	As at 31 March 2019	As at 1 April 2018	For the year	Deletions	As at 31 March 2019	As at 1 April 2018
Computer software's	-	482.23	861.91	-	60.60	-	801.31	-
Total	-	482.23	861.91	-	60.60	-	801.31	-

*Refer Note 40 for the business combination during the year.



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Particulars	As at 31 March 2019	As at 31 March 2018
6 Investments in subsidiaries		
Unquoted equity shares at amortised cost		
800 (31 March 2018: Nil) equity shares of Karvy Fintech W.L.L. (formerly known as Karvy Computershare W.L.L.), Bahrain of BHD 50 each fully paid-up	1,354.61	-
100,000 (31 March 2018: Nil) equity shares of Karvy Fintech (Malaysia) SDN BHD. (formerly known as Karvy Computershare (Malaysia) SDN BHD), MYR 1 each fully paid-up	167.35	-
	1,521.96	-
Aggregate amount of un-quoted non-current investments	1,521.96	-
Aggregate amount of impairment in value of investments	-	-
7 Non-current loans		
Rental deposits	372.58	-
	372.58	-
The Company's exposure to credit risks are disclosed in Note 43		
Break up of security details		
(a) Loans considered good - Secured	-	-
(b) Loans considered good - Unsecured	372.58	-
(c) Loans which have significant increase in Credit Risk	-	-
(d) Loans - credit impaired	-	-
Total	372.58	-
Loss allowance	-	-
Total Loans	372.58	-
8 Other non-current financial assets		
Electricity deposits	52.43	-
Telephone deposits	0.95	-
Bank deposits (due to mature after 12 months from balance sheet date)*	26.81	-
	80.19	-
* includes fixed deposits held as margin money towards guarantees given by bank amounting to INR 25.55 (31 March 2018: INR Nil)		
The Company's exposure to credit risks are disclosed in Note 43.		
There are no debts due to Company by Directors either individually, severally or jointly with another person, by firms or private companies in which any director is a partner or director or member.		
9 Deferred tax assets (net)		
Deferred tax assets		
Provision for employee benefits and certain other liabilities	594.27	-
Provision for expected credit loss on trade receivables and certain other financial assets	322.46	-
Carry forward losses	2,338.45	-
Minimum Alternate Tax credit	271.55	-
Others	208.60	3.78
Total deferred tax assets	3,735.33	3.78
Deferred tax liabilities		
Property, plant and equipment, Goodwill and other intangible assets	(1,926.49)	-
Total deferred tax liabilities	(1,926.49)	-
Deferred tax assets, net	1,808.84	3.78
10 Non-current tax assets		
Advance income-tax including tax deducted at source [net of provision for tax of INR 4,120.57 (31 March 2018: INR Nil)]	333.32	-
	333.32	-
11 Other non-current assets		
Prepayments	70.99	-
	70.99	-



Particulars	As at 31 March 2019	As at 31 March 2018
12 Investments		
Investments in mutual funds		
<i>(Quoted at Fair Value through Profit or Loss)</i>		
89,470 (31 March 2018: Nil) units of UTI Liquid Cash Plan- Regular- Daily Dividend Reinvestment Plan	912.10	-
59,711 (31 March 2018: Nil) units of Reliance Liquid Fund- Daily Dividend Option-Liquid Plan	913.19	-
89,974 (31 March 2018: Nil) units of DSP Blackrock Liquidity Fund - Regular Plan -Daily Dividend	900.58	-
79,105 (31 March 2018: Nil) units of L&I Liquid Fund - Regular Liquid Daily Dividend Reinvestment Plan	800.69	-
89,910 (31 March 2018: Nil) units of TATA Liquid Fund Regular Plan - Daily Dividend	900.46	-
73,634 (31 March 2018: Nil) units of Kotak Liquid Regular Plan Daily Dividend	900.75	-
88,786 (31 March 2018: Nil) units of HDFC Liquid Fund-Regular Plan Daily Dividend Reinvestment	905.46	-
902,680 (31 March 2018: Nil) units of Aditya Birla Sun life Liquid Fund-Daily Dividend-Regular Plan	904.86	-
707,762 (31 March 2018: Nil) units of ICICI Prudential Liquid Fund - Daily Dividend	708.09	-
89,995 (31 March 2018: Nil) units of Axis Liquid Fund-Daily Dividend-Reinvestment	901.21	-
49,997 (31 March 2018: Nil) units of Franklin India Liquid Fund - Super Institutional Plan, Daily Dividend Plan	500.54	-
89,945 (31 March 2018: Nil) units of IDFC Cash Fund - Daily Dividend	900.77	-
20,004 (31 March 2018: Nil) units of Religare Invesco India Liquid Fund-Daily Dividend	200.39	-
69,930 (31 March 2018: Nil) units of SBI Liquid Fund - Regular Daily Dividend	701.57	-
	11,050.66	-
Aggregate amount of quoted current investments and market value thereof	11,050.66	-
Aggregate amount of impairment in value of investments	-	-
The Company's exposure to credit risk is given in Note 43		
13 Trade receivables		
<i>(Unsecured, considered good)</i>		
Trade receivables	8,402.40	-
Receivables from related parties* (Refer Note 42)	327.12	-
Less: Loss allowance	(804.72)	-
	7,924.80	-
Break up of security details		
(a) Trade Receivables considered good - Secured	-	-
(b) Trade Receivables considered good - Unsecured	7,924.80	-
(c) Trade Receivables which have significant increase in Credit Risk	804.72	-
(d) Trade Receivables - credit impaired	-	-
Total	8,729.52	-
Loss allowance	(804.72)	-
Total trade receivables	7,924.80	-
Movements in the provision for loss allowance of trade receivables are as follows:		
Opening balance	-	-
Balance transferred pursuant to business combination (Refer Note 40)	782.32	-
Provision for loss allowance	22.40	-
Closing balance	804.72	-

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 43

There are no debts due to Company by Directors either individually, severally or jointly with another person, by firms or private companies in which any director is a partner or director or member.



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Particulars	As at 31 March 2019	As at 31 March 2018
14 Cash and cash equivalents		
Cash on hand	0.81	-
Balance with banks:		
(i) in current accounts	1,371.99	1.00
	<u>1,372.80</u>	<u>1.00</u>
The Company's exposure to credit risk are disclosed in Note 43.		
15 Bank balances other than cash and cash equivalents		
Bank balance in deposit accounts (having original maturity of more than 3 months but less than 12 months from reporting date)*	3,094.66	-
	<u>3,094.66</u>	<u>-</u>
* Includes INR 35.73 held as margin money towards guarantees given by banks. Also includes restricted fixed deposit amounting to INR 992.50 (31 March 2018: INR Nil) which is not freely remissible because of contractual restrictions.		
The Company's exposure to credit risks are disclosed in Note 43.		
The Company's exposure to credit risks are disclosed in Note 43.		
16 Current loans (Unsecured, considered good)		
Loans to employees	22.11	-
	<u>22.11</u>	<u>-</u>
Break up of security details		
(a) Loans considered good - Secured	-	-
(b) loans considered good - Unsecured	22.11	-
(c) Loans which have significant increase in Credit Risk	-	-
(d) Loans - credit impaired	-	-
Total	<u>22.11</u>	<u>-</u>
Loss allowance	-	-
Total current loans	<u>22.11</u>	<u>-</u>
The Company's exposure to credit risk are disclosed in Note 43.		
There are no debts due to Company by Directors either individually, severally or jointly with another person, by firms or private companies in which any director is a partner or director or member.		
17 Other current financial assets		
Retention money receivable	842.17	-
Less: Loss allowance	(118.08)	-
	<u>724.09</u>	<u>-</u>
Contract assets - unbilled revenue	819.82	-
Others	62.17	-
	<u>1,606.08</u>	<u>-</u>
The Company's exposure to credit risks are disclosed in Note 43.		
Movements in the provision for loss allowance of trade receivables are as follows:		
Opening balance	-	-
Balance transferred pursuant to business combination	118.08	-
Provision for loss allowance	-	-
Closing balance	<u>118.08</u>	<u>-</u>
There are no debts due to Company by Directors either individually, severally or jointly with another person, by firms or private companies in which any director is a partner or director or member.		
18 Other current assets		
Advances to vendors for supply of goods/services	47.68	-
Balance with government authorities	250.19	-
Prepaid expenses	77.47	-
Advances to employees	13.96	-
	<u>389.30</u>	<u>-</u>



Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited)
Notes to standalone financial statements

(All amounts are in INR lakhs, unless otherwise stated)

19 Share capital

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised *		
176,000,000 (previous year : 6,000,000) equity shares of Rs.10 each	17,600.00	600.00
Issued, subscribed and paid-up		
165,831,429 (previous year : 10,000) equity shares of Rs.10 each, fully paid-up	16,583.14	1.00
	16,583.14	1.00

* The Authorised Share Capital has been increased in terms of the scheme of amalgamation and arrangement as approved by National Company Law Tribunal (NCLT). Refer Note 40.

a. Terms and rights attached to equity shares

The Company has a single class equity shares having a par value of Rs. 10 per equity share. Accordingly, all equity shares rank equally with regard to dividends and in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

b. Reconciliation of shares outstanding at the beginning and end of the period:

Particulars	No. of shares	Amount
Opening Balance	-	-
Shares issued during the year	10,000	1.00
As at 31 March 2018	10,000	1.00
Shares issued during the period	165,831,429	16,583.14
Shares cancelled during the period **	(10,000)	(1.00)
As at 31 March 2019	165,831,429	16,583.14

** Pursuant to the scheme of amalgamation, the Company has cancelled 10,000 shares held by the erstwhile shareholders. During the year, the Company has issued 55,831,414 equity shares of INR 10 per share to General Atlantic Singapore Fund Pte Ltd ("General Atlantic") and General Atlantic has further acquired shares from certain existing shareholders, consequent to which it has become the Holding Company of Karvy Fintech Private Limited. Further pursuant to scheme of amalgamation (Refer note 40) the Company has issued 110,000,015 equity shares of INR 10 each at par value to the shareholders of Karvy Consultants Limited ("KCL") in exchange of receipt of the assets and liabilities of the RTA undertaking of KCL.

c. Details of shares held by holding company

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	Percentage	Number of Shares	Percentage
Equity shares of INR 10 each fully paid up, held by:				
General Atlantic Singapore Fund Pte Ltd	138,058,092	83.25%	-	-
Total	138,058,092	83.25%	-	-

d. Details of shareholders holding more than 5% shares in the Company:

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	Percentage	Number of Shares	Percentage
Equity shares of INR 10 each fully paid up, held by:				
General Atlantic Singapore Fund Pte Ltd	138,058,092	83.25%	-	-
Compar Estates and Agencies Pvt Ltd	20,243,944	12.21%	2,658	26.58%
M Rajini	-	-	2,216	22.16%
Jhansi Sureddi	-	-	2,182	21.82%
M Spandana	-	-	786	7.86%
M Rushyanti	-	-	691	6.91%
Total	158,302,036	95.46%	8,533	85.33%

e. During the five year ended 31 March 2019 (31 March 2018 INR Nil) no shares were allotted as fully paid up pursuant to a contract without payment being received in cash.

f. The Company has not bought back any shares during the five year period ended 31 March 2019 (31 March 2018 Nil).

g. The Company has not allotted any shares as fully paid by way of bonus shares during the five year period ended 31 March 2019 (31 March 2018 Nil).



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Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited)

Notes to standalone financial statements

(All amounts are in INR lakhs, unless otherwise stated)

	Particulars	Note	As at 31 March 2019	As at 31 March 2018
20	Other equity			
	Capital reserve	a		
	Balance at the beginning of the year		-	-
	Addition during the period		1.00	-
	Balance at the end of the period		<u>1.00</u>	<u>-</u>
	Securities premium	b		
	Balance at the beginning of the year		-	-
	Issue of shares		35,765.60	-
	Less: Commission paid on issue of shares, (net of related deferred tax)		(1,373.08)	-
	Balance at the end of the period		<u>34,392.52</u>	<u>-</u>
	Debenture redemption reserve	c		
	Balance at the beginning of the year		-	-
	Add: Transfer from surplus in profit and loss		750.00	-
	Balance at the end of the period		<u>750.00</u>	<u>-</u>
	Retained earnings	d		
	At the commencement of the year		(7.03)	-
	Add: Profit for the period		848.30	(7.03)
	Less: Transfer to debenture redemption reserve		(750.00)	-
	Balance at the end of the period		<u>91.27</u>	<u>(7.03)</u>
	Remeasurement of defined benefit plans (Other comprehensive income)	e		
	At the commencement of the year		-	-
	Add: Profit for the period		51.92	-
			<u>51.92</u>	<u>-</u>
	Total other equity		<u>35,286.71</u>	<u>(7.03)</u>

Nature and purpose of other reserves

- (a) **Capital reserve**
Reserve created on cancellation of equity shares pursuant to Scheme of amalgamation approved by National Company Law Tribunal. Refer Note 40
- (b) **Securities premium account**
The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. It can be utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc.
- (c) **Debenture redemption reserve**
According to Section 71 of the Companies Act 2013, where a company issues debentures, it is required to create a debenture redemption reserve for the redemption of such debentures.
- (d) **Retained earnings**
Retained earnings represents the net profits after all distributions and transfers to other reserves.
- (e) **Remeasurement of defined benefit plans**
Remeasurement of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:
(a) actuarial gains and losses
(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)



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Particulars		As at 31 March 2019	As at 31 March 2018		
21	Non-current borrowings				
	Non-convertible Debentures (secured)	38,886.71	-		
	Less: Current maturities of long term debt (Refer note 24)	(1,600.00)	-		
		<u>37,286.71</u>	<u>-</u>		
During the year, the Company has issued 4,000 non-convertible debentures (NCDs) of INR 1,000,000 each to Nomura Singapore Limited and Standard Chartered Bank., Singapore for an amount of INR 40,000. Transaction costs amounting to INR 1,198.69 has been netted off against the amount of Debentures. The NCDs are listed on the Bombay Stock Exchange, India with effect from 29 November 2018. The NCDs are repayable in 10 half yearly installments commencing from 30 September 2019 to 16 November 2023 and carry an interest rate of 11.5% per annum due half yearly beginning from 31 March 2019.					
	Particulars	Non-current borrowings	Current borrowings	Accrued interest (Refer Note 24)	Total
	Net debt as at 31 March 2018	-	-	-	-
	Loan draws (in cash) / interest accrued during the year	40,000.00	-	1,898.37	41,898.37
	Loan repayments / interest payment during the year (in cash)	-	-	-	-
	Processing fees paid	(1,198.69)	-	-	(1,198.69)
	Amortisation as per effective interest rate	85.40	-	(85.40)	-
	Others	-	-	(99.00)	(99.00)
	Net debt as at 31 March 2019	<u>38,886.71</u>	<u>-</u>	<u>1,713.97</u>	<u>40,600.68</u>
	Security				
	The debentures are secured by :				
	(i) a first ranking exclusive charge by way of hypothecation on the Account Assets under the IPA Deed of Hypothecation;				
	(ii) a first ranking charge by way of hypothecation on all the Company Assets under the Company Deed of Hypothecation				
22	Non-current provisions				
	Provision for employee benefits				
	Gratuity			166.34	-
	Compensated absences			173.76	-
				<u>340.10</u>	<u>-</u>
	Refer Note 41 for disclosure related to employee benefits.				
23	Trade payables				
	Total outstanding dues of micro enterprises and small enterprises *			3.41	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises			2,153.48	0.06
				<u>2,156.89</u>	<u>0.06</u>
	* Refer Note 39 for disclosure relating to Micro and Small Enterprises				
	For details regarding trade payables due to related parties, Refer Note 42.				
24	Other current financial liabilities				
	Current maturities of long term debt (Refer Note 21)			1,600.00	-
	Security deposit payable			1,405.45	-
	Employee payables			194.58	-
	Interest accrued on non-convertible debentures			1,713.97	-
	Capital creditors			12.15	-
	Other liabilities			1,189.70	10.75
				<u>6,115.85</u>	<u>10.75</u>
	The Company's exposure to liquidity risks related to above financial liabilities is disclosed in Note 43.				
25	Other current liabilities				
	Advances from customers			337.01	-
	Statutory dues payable			862.21	-
				<u>1,199.22</u>	<u>-</u>
26	Current provisions				
	Provision for employee benefits:				
	Gratuity			105.21	-
	Compensated absences			132.21	-
				<u>237.42</u>	<u>-</u>
	Refer Note 41 for disclosure related to provisions for employee benefits.				
27	Current tax liability (net)				
	Provision for taxation			86.23	-
	(Net of advance tax INR 10.67, 31 March 2018; INR Nil)				
				<u>86.23</u>	<u>-</u>



Particulars	For the year ended 31 March 2019	For the period ended 31 March 2018
28 Revenue from operations		
Sale of services	14,514.91	-
Total (A)	14,514.91	-
Other operating revenues		
Recoverable expenses	1,354.36	-
Total (B)	1,354.36	-
Total (A+B)	15,869.27	-
Particulars	For the year ended 31 March 2019	For the period ended 31 March 2018
29 Other income		
Interest income from :		
Bank deposits (carried at amortised cost)	117.37	-
Unwinding of discount on deposits	5.30	-
Dividend income from current investments	89.93	-
Liabilities no longer required - written back	6.50	-
	219.10	-



Particulars	For the year ended 31 March 2019	For the period ended 31 March 2018
30 Employee benefits expense		
Salaries and wages	5,698.50	-
Contribution to provident and other funds (Refer Note 41)	432.88	-
Staff welfare expenses	178.31	-
	6,309.69	-
31 Finance Cost		
Interest on Debentures	1,898.37	-
Other interest costs	9.49	-
	1,907.86	-
32 Depreciation and amortisation expense		
Depreciation on property, plant and equipment	486.66	-
Amortisation on goodwill	2,496.26	-
Amortisation on intangible assets	60.60	-
	3,043.52	-
33 Other expenses		
Power and fuel	154.91	-
Rent	445.03	-
Repairs and maintenance:		
- others	39.60	-
Rates and taxes	146.41	10.81
Legal and professional fee *	286.43	-
Office maintenance	107.55	-
Donations	5.95	-
Loss allowance on trade receivables and other financial assets	22.40	-
Printing and stationery	406.74	-
Postage, courier and communication	942.75	-
Shared services cost	143.59	-
Consultancy charges	335.62	-
Travelling and conveyance	232.34	-
Miscellaneous expenses	4.03	-
Computer maintenance charges	43.29	-
Depository charges	3.05	-
Claims paid	25.96	-
Insurance	4.86	-
Staff recruitment	18.54	-
Sales promotion and advertisement	27.29	-
Security services	43.22	-
Bank charges	7.07	-
Foreign exchange loss (net)	26.79	-
Water charges	3.77	-
	3,477.19	10.81
* Payment to auditors (included in legal and professional expenses above)		
As auditor		
Statutory audit	17.00	-
Certification	0.65	-
Out of pocket expenses	1.75	-
	19.40	-
Corporate Social Responsibility		
The Company was incorporated on 8 June 2017. During the period ended 31 March 2018, the Company did not have any profits. Accordingly the Company was not required to spend any amount towards Corporate Social Responsibility ("CSR") under the provisions of the Companies Act, 2013.		
34 Earning per share (EPS)		
Profit attributable to equity shareholders (A)	848.30	(7.03)
Weighted average number of equity shares for Basic and diluted EPS (B)	61,341,213	10,000
Basic and Diluted EPS - par value of INR 10 per share (A/B) (in INR)	1.38	(70.30)



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35 Income tax

A. Amounts recognised in the Statement of Profit and Loss

	For the year ended 31 March 2019	For the period ended 31 March 2018
Current tax expense		
Current year	271.55	-
	271.55	-
Deferred tax charge/ (credit)		
Change in recognised temporary differences	230.26	(3.78)
	230.26	(3.78)
Total tax expense		
	501.81	(3.78)

B. Amounts recognised in Other Comprehensive Income

	For the year ended 31 March 2019		For the period ended 31 March 2018			
	Before tax	Tax (expense)/ Income	Net of tax	Before tax	Tax (expense)/ Income	Net of tax

C. Reconciliation of effective tax rate

	For the year ended 31 March 2019		For the period ended 31 March 2018	
	Rate	Amount	Rate	Amount
Profit before tax from continuing operations				
Tax using the Company's domestic tax rate	34.94%	1,350.11	34.61%	(10.81)
Tax effect of:		471.73		(3.74)
Impact of tax exempt income	-2.33%	(31.43)		
Permanent differences	3.82%	51.56		
Others	0.74%	9.94	0.36%	(0.04)
	37.17%	501.81	34.97%	(3.78)

D. Movement in deferred tax balances

	As at 1 April 2018	Arising on account of business combination*	Recognised in Statement of Profit and Loss account	Recognised in Other Comprehensive Income	Recognised in Other Equity	As at 31 March 2019
Property, plant and equipment, Goodwill and other intangible assets	-	122.19	(2,048.68)	-	-	(1,926.49)
Provision for expected credit loss on trade receivables and certain other financial assets	-	314.63	7.83	-	-	322.46
Provision for employee benefits and certain other liabilities	-	885.05	(262.89)	(27.89)	-	594.27
Carry forward losses	-	-	2,338.45	-	-	2,338.45
MAT Credit	-	-	271.55	-	-	271.55
Transaction cost on issue of shares and non-convertible debentures	-	-	(536.53)	-	737.53	201.00
Others	3.78	3.79	0.03	-	-	7.60
Net deferred tax assets/ (liabilities)	3.78	(1,525.86)	(230.26)	(27.89)	737.53	1,808.84

*Refer Note 40 on business combination during the year

36 Commitments, contingent liabilities and contingent assets

A. Commitments

There are no capital commitments as on balance sheet date

B. Contingent Liabilities

(a) Claims against the Company not acknowledged as debts.

As at	As at
31 March 2019	31 March 2018
44.69	

(b) During the financial year 2011-12, the Transferor Company had received an order from the Commissioner of the Customs, Central Excise and Service Tax under Section 73(1) of the Finance Act, 1994 demanding service tax of Rs 114,611,071 on reimbursement of expenses and penalty and interest thereon, pertaining to period from 10 September 2004 to 31 January 2007. The Service tax on Registrar to an Issue and Share Transfer Agent services was introduced vide Finance Act 2006 and the notification 15/2006 dated 25 April 2006 with effect from 1 May 2006. The rules for determination of value of taxable service was notified vide Notification No 12/2006 dated 19 April 2006, wherein Rule 5 prescribes for the inclusion of expenditure or cost incurred in the course of providing "taxable service", hence such inclusion was prescribed only for the "taxable service" which in this case, is applicable with effect from 1 May 2006. The Transferor Company, by way of abundant caution, had deposited an amount of Rs 21,665,028 and interest thereon, pertaining to period from 1 May 2006 to 31 January 2007. The Transferor Company preferred an appeal to the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Bangalore and obtained stay order on the above order and the matter is pending disposal. The Company has evaluated the claim and based on its evaluation, the Management is confident that the demand is not tenable and the possibility of any future financial impact is remote. As per the above mentioned notification, the Service Tax on Registrar to an Issue and Share Transfer Agent was made applicable only with effect from 1 May 2006.

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax (excluding interest and penalty)	1,146.11 (216.65)*	10 September 2004 to 31 January 2007	Customs, Excise and Service Tax Appellate Tribunal

*The amounts in parenthesis represents the payment made.

(c) In addition to the above, the Company is a party to certain pending cases with regulatory authorities relating to the initial public offerings that have taken place in earlier years. These cases are pending at various levels of legal disposition. In the assessment of the management and as legally advised, these matters are unlikely to have a material impact on the financial statements of the Company.

(d) The Company has few pending disputes with the Income tax authorities in respect of assessment year 2008-09. The Company has made necessary provisions in the books of account with respect to all the Income tax related disputes and believes that there will be no further financial impact in this regard.

(e) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Pending decision on the subject review petition and directions from the EPFO, the management has a view that the applicability of the decision is prospective and accordingly has provided the liability for March 2019. The impact for the past period, will depend upon the outcome of subject review petition and directions from the EPFO.

37 Segment information

In accordance with Ind AS 108 - Operating Segments, segment information is disclosed in the consolidated financial statements of the Company and accordingly no separate segment disclosures have been furnished in these standalone financial statements of the Company.

38 Leases

A. Operating leases

The Company has taken premises on non-cancellable and cancellable operating lease. Lease rentals on the non-cancellable lease amounting to INR 218.19 (March 2018 : INR Nil) and cancellable lease amounting to INR 226.84 (March 2018: INR Nil) has been charged to the statement of profit and loss. The total future minimum lease payments under non-cancellable lease are as follows:

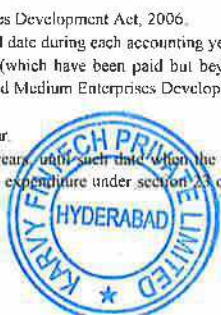
Particulars	As at 31 March 2019	As at 31 March 2018
Not later than 1 year	586.17	-
Later than 1 year and not later than 5 years	2,097.21	-
Above 5 years	-	-
Total	2,683.38	-

39 Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") based on the information available with the Company

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 ("the Act"). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2019 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. Auditors have placed reliance on such information provided by the management.

Particulars	For the year ended 31 March 2019	For the period ended 31 March 2018
Principal amount remaining unpaid to any supplier as at the end of the year.	3.41	-
Interest due thereon remaining outstanding as at the end of the year.	-	-
The amount of interest paid by the buyer as per Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of the payments made to micro and small suppliers beyond the appointed date during each accounting year.	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed date during the period) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-



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40 Business combination

The Board of Directors of the Company in their meeting held on 2 August 2017 approved a Composite Scheme of Arrangement and Amalgamation between Karvy Consultants Limited (KCL), Karvy Computershare Private Limited (KCPL), the Company and their respective shareholders under the relevant provisions of the Companies Act, 2013 ('the Scheme'). The Scheme has been approved by the National Company Law Tribunal vide their order dated 23 October 2018 which has been filed with the Registrar of Companies on 17 November 2018. Therefore the Scheme has become effective on 17 November 2018.

As per the Scheme, the 'RTA undertaking' of KCL (as explained below) and KCPL were amalgamated into the Company with effect from 17 November 2018, the details of which are given below:

Amalgamation of the 'RTA undertaking' of KCL into the Company

In the Scheme, the 'RTA undertaking' of KCL is defined as the assets and liabilities relating to the Registrar and Transfer Agent (RTA) business of KCL including the investment held by KCL (50% equity stake) in KCPL. In accordance with the Scheme, this RTA Undertaking of KCL has been amalgamated into the Company with effect from 17 November 2018 in consideration of issue of 110,000,015 equity shares of Rs. 10 each of the Company to the shareholders of KCL (as per the share swap ratio approved in the Scheme).

As specified in the Scheme, this amalgamation has accounted for in accordance with the Purchase method of accounting as per Accounting Standard 14 - on 'Accounting for Amalgamations'. Accordingly:

- all assets and liabilities of the RTA Undertaking of KCL including the investment held by KCL in KCPL have been recorded at their existing book values as at November 16, 2018 (as certified by the independent auditors of KCL);
- the consideration, being the face value of the said equity shares issued by the Company to the shareholders of KCL has been recorded at par value; and
- the difference between a) and b) above amounting to Rs. 10,937.50 has been recorded as Goodwill.

The details of the same are given in the table below:

Particulars	Amount
Book value of assets and liabilities transferred:	
Property, plant and equipment	6.15
Trade receivable	63.90
Investment in KCPL	1.32
Total assets	71.37
Current Liabilities	8.87
Total liabilities	8.87
Net assets - (A)	62.50
Face value of equity shares issued to shareholders of KCL - (B)	11,000.00
Goodwill = (B) - (A)	10,937.50



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Amalgamation of KCPL into the Company

On 17th November 2018, the Company acquired a 50% stake in KCPL from an existing shareholder. The remaining 50% stake in KCPL got vested in the Company on 17th November 2018 upon the RTA Undertaking of KCL getting amalgamated into the Company. Accordingly, on 17th November 2018, KCPL became a wholly owned subsidiary of the Company. However, the amalgamation of KCPL into the Company also became effective on the same day, and hence, KCPL got merged into KFPL on 17th November 2018.

As specified in the Scheme, the Company has accounted for the amalgamation as follows:

a) all assets and liabilities of KCPL have been recorded at their existing book values as at November 16, 2018;

b) the difference between the cost of investment in KCPL as appearing in the books of KFPL and the net book value of assets as per a) above amounting to Rs. 56,554.04 has been recorded as Goodwill.

The details of the same are given in the table below:

Particulars	Amount
Book value of assets and liabilities acquired:	
Property, plant and equipment	4,157.00
Intangible Asset	482.23
Capital work in progress	30.51
Investments in Subsidiaries	1,521.96
Deferred tax asset	1,325.66
Other non current financial assets	454.13
Non-current tax assets	40.70
Other non-current assets	79.02
Other current financial assets	25,924.20
Other current assets	451.91
Total assets (A)	34,467.32
Non current provisions	377.13
Current provisions	220.64
Trade payables	3,025.37
Other financial liability	3,774.76
Other current liability	957.78
Current tax liabilities (net)	1,346.09
Total liabilities (B)	9,701.77
Net Assets (A-B)	24,765.55
Calculation of goodwill	
Investment in KCPL in the books of the Company	81,319.60
Less: Net assets	24,765.55
Goodwill	56,554.05

As per the Scheme, the cumulative goodwill arising on the transaction amounting to Rs. 67,491.55 is being amortised over a period of 10 years. Goodwill generated on this transaction largely represents the value of the businesses acquired by the Company as reduced by the book values of the assets and liabilities of the acquired businesses.

The accounting treatment as specified in the Scheme relating to amalgamation of the 'RTA Undertaking' of KCL and of KCPL into the Company and the subsequent measurement of Goodwill is in accordance with Accounting Standard 14 on 'Accounting for amalgamations' which is different from the accounting as per Ind AS 103 on 'Business Combinations'. Under Ind AS 103, the Company would have been required to record the entire business combination (the assets, liabilities acquired and consideration paid) at fair value.

The fair value of trade receivables acquired of RTA undertaking and KCPL is INR 6.15 and INR 8,372.81 respectively. The gross contractual amount for trade receivables due of RTA undertaking and KCPL is INR 6.15 and INR 9,155.14 respectively and an amount of INR Nil and INR 783.32 has been provided for towards expected credit losses.

The business rationale of this amalgamation was to enable better and more efficient management, control and running of the RTA business. KCPL had obtained a no objection from SEBI for the change of control and from PFRDA for the amalgamation. The Company has applied to SEBI for fresh registration in its own name and is pursuing the matter with PFRDA.

The acquired business contributed revenues of INR 15,869.27 and profit before tax of INR 1,350.11 to the Company for the period 17 November 2018 to 31 March 2019. If the acquisitions had occurred on 1 April 2018, pro-forma revenue and profit before tax for the year ended 31 March 2019 would have been INR 43,252.31 and INR 8,488.81 respectively.



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41 Employee benefits

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

(i) Defined contribution plans:

Employee State Insurance

The Company makes contribution towards Employee state insurance for its employees. The Company's contribution to the Employees' State Insurance is deposited with the government.

Provident fund:

The Company makes contribution towards provident fund for employees. The Company's contribution to the Employees' Provident Fund is deposited with the Government under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The contribution paid under the plan by the Company is at the rate specified under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

During the year, the Company has recognised following amounts in the Statement of Profit and Loss (included in note 30 Employee benefits expense):

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Contribution to provident fund	217.72	-
Contribution to employee state insurance	84.85	-

(ii) Defined benefit plan:

The Company makes annual contribution to a gratuity fund administered by trustees and managed by Life Insurance Corporation of India (LIC). Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service inline with the Payment of Gratuity Act 1972. The same is payable at the time of separation from the Company or retirement whichever is earlier.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Net defined benefit liability	271.55	-
Current	105.21	-
Non Current	166.34	-

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

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	As at 31 March 2019			As at 31 March 2018		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability/ (asset)	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability/ (asset)
Balance as at beginning of the year	-	-	-	-	-	-
Add: Transfer on account of amalgamation	1,080.18	(811.79)	268.39	-	-	-
Included in Statement of profit or loss						
Current service cost	80.45	-	80.45	-	-	-
Interest cost	35.11	(26.38)	8.73	-	-	-
	115.56	(26.38)	89.18	-	-	-
Included in Other comprehensive income						
Remeasurement loss/ (gain)						
Actuarial loss/ (gain) arising from:						
- financial assumptions	(82.38)	-	(82.38)	-	-	-
on plan assets	-	2.57	2.57	-	-	-
	(82.38)	2.57	(79.81)	-	-	-
Others						
Contributions paid by the employer	-	(6.21)	(6.21)	-	-	-
Benefits paid	(21.59)	21.59	-	-	-	-
	(21.59)	15.38	(6.21)	-	-	-
Balance as at end of the year	1,091.77	(820.22)	271.55	-	-	-



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C. Plan assets

	As at 31 March 2019	As at 31 March 2018
Investment with Life Insurance Corporation of India	100%	100%

On an annual basis, an asset-liability matching study is done by the Company whereby the Company contributes the net increase in the actuarial liability to the plan manager (insurer) in order to manage the liability risk.

D. Actuarial assumptions

a) Economic assumptions

The principal assumptions are the discount rate, expected rate of return on plan assets and salary growth rate. The discount rate is based upon the market yields available on government

	As at 31 March 2019	As at 31 March 2018
Discount rate (p.a.)	7.70%	-
Salary increase (p.a.)	4.00%	-
Expected rate of return on plan assets	8.00%	-

b) Demographic assumptions

	As at 31 March 2019	As at 31 March 2018
i) Retirement age (years)	58 years	-
ii) Mortality table	IALM (2006-08)	-
iii) Withdrawal rates (p.a.)	4.00%	-

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	As at 31 March 2019		As at 31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(68.56)	77.05	-	-
Future salary growth (1% movement)	138.39	(118.59)	-	-
Mortality Rate (1% movement)	1.56	(1.57)	-	-
Attrition Rate (1% movement)	46.84	(51.09)	-	-

F. Expected maturity analysis of the undiscounted gratuity benefit is as follows:

Particulars

	As at 31 March 2019	As at 31 March 2018
Duration of defined benefit payments		
Less than 1 year	61.90	-
Between 2 - 5 years	136.09	-
Between 5 - 10 years	256.29	-
Over 10 years	637.49	-
Total	1,091.77	-

The weighted average duration of the defined benefit plan obligation as at 31 March 2019: 12.25 years.

Expected contribution to the post employee benefit plan during the next financial year is expected to be: INR 224.23.

G.

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Other long-term employee benefits:

The Company provides compensated absences benefits to the employees of the Company which can be carried forward to future years. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. During the year ended 31 March 2019, the Company has incurred an expense on compensated absences amounting to INR 108.90 lakhs (31 March 2018: INR Nil). The Company determines the expense for compensated absences basis the actuarial valuation of the present value of the obligation, using the Projected Unit Credit Method.



G

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42 Related parties

A. Names of related party and nature of relationship

i. Holding company :

General Atlantic Singapore Fund Pte Ltd (W.e.f 16 November 2018)

ii. Key Management personnel (KMP)

- a) V Ganesh , Chief executive officer and Managing Director
- b) C Parthasarathy, Director
- c) Kaushik Mazumdar, Director
- d) Sandeep Achyut Naik, Director
- e) Vishwanathan Mavila Nair, Director
- f) Sonu Halan Bhasin, Director
- g) Shantanu Rastogi, Director
- h) Rajat Sood, Director

iii. Enterprises where KMP exercise significant influence

- a) Karvy Stock Broking Limited,
- b) Karvy Data Management Services Limited

iv. Wholly owned Subsidiaries

- a) Karvy Fintech (Bahrain) W.L.L. (formerly known as Karvy Computershare W.L.L.)
- b) Karvy Fintech (Malaysia) SDN. BHD (formerly known as Karvy Computershare (Malaysia) SDN. BHD)

B. Transactions with the related parties

Particulars

For the year ended
31 March 2019

For the period ended
31 March 2018

i) Holding Company

General Atlantic Singapore Fund Pte Ltd

Issue of Equity Shares at premium

41,348.74

-

ii) Enterprises controlled or jointly controlled by KMP

Karvy Stock Broking Limited

Internet bandwidth

8.93

-

Shared service charges

190.00

-

Fee from investor services

(6.06)

-

Reimbursement of expenses

14.01

-

Karvy Data Management Services Limited

Rent expenses

112.21

-

Professional charges

51.19

-

Fee from investor services

(4.13)

-

iii) Wholly owned subsidiaries

Karvy Computershare (Malaysia) SDN. BHD

Fee from investor services

429.98

-

iv) Key Management Personnel

Remuneration paid to key managerial personnel

54.90

-

Short-term employee benefits

181.32

-

The managerial personnel are covered by the Company's gratuity policy and are eligible for leave encashment along with other employees of the Company. The proportionate amount of gratuity and leave encashment pertaining to the managerial personnel has not been included in the aforementioned disclosures as these are determined on an actuarial basis for the Company as a whole.

C. Related party balances

Particulars

As at
31 March 2019

As at
31 March 2018

i) Enterprises controlled or jointly controlled by KMP

Karvy Data Management Services Limited

Trade payables

871.06

-

ii) Wholly owned subsidiaries

Karvy Computershare (Malaysia) SDN. BHD

Trade receivables

327.12

-

iv) Key Management Personnel

Remuneration payable

175.00

-



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13 Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at 31 March 2019	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current assets								
Loans	-	-	372.58	372.58	-	-	-	-
Other non-current financial assets	-	-	80.19	80.19	-	-	-	-
Current assets								
Current investments	11,050.66	-	-	11,050.66	11,050.66	-	-	11,050.66
Trade receivables	-	-	7,924.80	7,924.80	-	-	-	-
Cash and cash equivalents	-	-	1,372.80	1,372.80	-	-	-	-
Bank balances other than cash and cash equivalent	-	-	3,094.66	3,094.66	-	-	-	-
Loans	-	-	22.11	22.11	-	-	-	-
Other current financial assets	-	-	1,606.08	1,606.08	-	-	-	-
	11,050.66	-	14,473.22	25,523.88	11,050.66	-	-	11,050.66
Financial liabilities								
Non-current borrowings	-	-	37,286.71	37,286.71	-	-	-	-
Trade payables	-	-	2,156.89	2,156.89	-	-	-	-
Other current financial liabilities	-	-	6,115.85	6,115.85	-	-	-	-
	-	-	45,559.45	45,559.45	-	-	-	-

As at 31 March 2018	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Current assets								
Cash and cash equivalents	-	-	1.00	1.00	-	-	-	-
	-	-	1.00	1.00	-	-	-	-
Financial liabilities								
Current liabilities								
Trade payables	-	-	0.06	0.06	-	-	-	-
Other financial liabilities	-	-	10.75	10.75	-	-	-	-
	-	-	10.81	10.81	-	-	-	-

B. Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are:

- recognised and measured at fair value and
- measured at amortised cost and for which fair values are disclosed in the financial statements

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the Indian Accounting Standard 113. An explanation of each level follows underneath the table:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required in fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between level 1 and level 2 during the year.

Valuation process

The finance department of the Company performs the valuation of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer. Discussions of valuation processes and results are held between the finance controller and the finance team at least once every quarter.



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C. Fair value of financial assets and liabilities measured at amortised cost

	As at 31 March 2019		As at 31 March 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Loans	394.69	394.69	-	-
Other non current financial assets	80.19	80.19	-	-
Trade receivables	7,924.80	7,924.80	-	-
Cash and cash equivalents	1,372.80	1,372.80	1.00	1.00
Bank balances other than cash and cash equivalent	3,094.66	3,094.66	-	-
Other current financial assets	1,606.08	1,606.08	-	-
	14,473.22	14,473.22	1.00	1.00
Financial liabilities				
Borrowings	37,286.71	37,286.71	-	-
Trade Payables	2,156.89	2,156.89	-	-
Other current financial liabilities	6,115.85	6,115.85	-	-
	45,559.45	45,559.45	-	-

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents and other payable for capital goods are considered to be the same as their fair values due to their short-term nature.

II. Financial risk management

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has constituted an Audit Committee which is responsible for monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies 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 has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

Credit risk

Credit risk is the risk of financial loss in the Company if a customer or counterparty in a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks. Credit risk arises principally from trade receivables, advances, security deposits, cash and cash equivalents and deposits with banks.

a. Loans

It consists of security deposit. The security deposit pertains to rent deposit given to lessors. The Company does not expect any losses from non-performance by these counter-parties. It also consists of loans given to employees for which the Company does not expect any losses as the said loans are only given to confirmed employees of the organisation.

b. Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. An impairment analysis is performed at each reporting date.

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the standard payments and delivery terms and conditions are offered. The average credit period provided to customers is around 45 days. The Company review includes external ratings, customer's credit worthiness, if they are available, and in some cases bank references.

A default on a financial asset is when counterparty fails to make payments within 160 days when they fall due.

The customer base of the Company comprises of various corporate, state governments and mutual fund houses all having sound financial condition and none of these balances are credit impaired. An impairment analysis is performed at each reporting date on invoice wise receivables balances.

Cash and cash equivalents and deposits with banks

Cash and cash equivalents of the Company are held with banks which have high credit rating. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Retention money receivable

The Company has retention money receivable from the state governments pertaining to the services rendered by the Company towards e-governance projects. The Company faces no credit risk pertaining to these receivables as the same are sovereign backed, but assesses the same for loss in time value of money.

Investments in mutual funds

The credit risk for the investments in mutual funds is considered as negligible as the counter parties are reputable mutual fund agencies with high external credit ratings.

Financial assets for which loss allowance is measured using lifetime expected credit losses

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivables	7,924.80	-
Retention money receivable	724.09	-

During the year, the Company has made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of receivables previously written off. The Company's management also pursue all legal options for recovery of dues, wherever necessary, based on its internal assessment.

Refer note 13 and 17 for Reconciliation of loss allowance provision for Trade receivables and Retention money receivable.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach in managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the cash flows generated from operations to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position comprising cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. As at 31 March 2019, the Company has a net current assets of INR 15,664.80.



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Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and exclude the impact of netting agreements.

Particulars	Carrying amount as at	Total	Contractual cash flows			
	31 March 2019		Up to 1 year	Between 1 - 2 years	Between 2 - 5 years	More than 5 year
Non-derivative financial liabilities						
Trade payables	2,156.89	2,156.89	2,156.89	-	-	-
Borrowings (including current maturity of long-term debt and interest accrued)*	40,600.68	40,290.68	3,313.97	8,017.01	48,959.70	-
Other financial liabilities (excluding current maturity of long-term debt and interest accrued)	2,801.88	2,801.88	2,801.88	-	-	-
Total	45,559.45	65,249.45	8,272.74	8,017.01	48,959.70	-

* The contractual Cash flows includes interest obligation on borrowings.

Particulars	Carrying amount as at	Total	Contractual cash flows			
	31 March 2018		Up to 1 year	Between 1 - 2 years	Between 2 - 5 years	More than 5 year
Non-derivative financial liabilities						
Trade payables	0.06	0.06	0.06	-	-	-
Other financial liabilities	10.75	10.75	10.75	-	-	-
Total	10.81	10.81	10.81	-	-	-

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's Revenue from operations or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Company does not have any borrowings with variable rates. Company has all of its borrowings at fixed rate. The Company has issued Non convertible borrowings at fixed interest rate.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

	As at 31 March 2019	As at 31 March 2018
Fixed-rate instruments		
Financial assets	3,121.47	-
Financial liabilities	40,600.68	-

Cash flow sensitivity analysis for variable-rate instruments

There are no variable rate borrowings of the company. Hence, change in interest rates would not have an impact on cash flows of the Company.

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Currency risk

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises.

Exposure to currency risk

The summary quantitative data about the Company's unhedged exposure to significant currency risk in foreign currency and domestic currency as reported to the management of the Company is as follows.

Financial assets	As at 31 March 2019		As at 31 March 2018	
	Amount in FC	Amount in INR	Amount in FC	Amount in INR
Trade receivables				
USD	8.16	565.17	-	-
CAD	0.34	17.73	-	-
AUD	0.71	10.39	-	-
GBP	0.29	25.87	-	-
MYR	19.28	327.12	-	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR against all other currencies at year-end would have affected the measurement of financial instruments denominated in a foreign currency and allocated equity and profit or loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss		Equity (net of tax)	
	Strengthening	Weakening	Strengthening	Weakening
For the year ended 31 March 2018				
USD (1% movement)	-	-	-	-
CAD (5% movement)	-	-	-	-
AUD (1% movement)	-	-	-	-
GBP (10% movement)	-	-	-	-
MYR (10% movement)	-	-	-	-
For the year ended 31 March 2019				
USD (1% movement)	(5.65)	5.65	(3.68)	3.68
CAD (5% movement)	(0.89)	0.89	(0.58)	0.58
AUD (1% movement)	(0.10)	0.10	(0.07)	0.07
GBP (10% movement)	(2.59)	2.59	(1.68)	1.68
MYR (10% movement)	(32.71)	32.71	(21.28)	21.28

44. Capital management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern so that it can continue to provide return for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents and investment in mutual funds) divided by total "equity" (as shown in the balance sheet). The gearing ratios were as follows:

Particulars	31 March 2019	31 March 2018
Net debt	25,082.56	-
Total equity	51,869.85	-
Net debt to equity ratio	48.36%	-

Debt covenants

Under the terms of the debentures agreement, the Company is required to comply with the following financial covenants:

- DSCR A not less than 1.1 times during the tenure of the debentures.
- Maximum Net Debt/EBITDA not to exceed 3.75 times.

The Company has complied with these covenants as at reporting period.



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45 Impairment test of goodwill

During the year, the Company has recognised goodwill amounting to INR 67,491.55 arising out of the scheme of Amalgamation referred to in Note 40. Presently, the Company has not yet allocated goodwill to its operating segments considering the recent recognition of the goodwill. For the year ended 31 March 2019, the goodwill impairment has been assessed at the Company level. The recoverable amount of the Goodwill has been determined as per value in use method, using discounted cash flows. As mentioned in Note 40, the Company is amortising goodwill over a period of 10 years. However, Management has also tested goodwill for impairment even though there are no indicators of impairment.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been assigned based on historical data both from external and internal sources.

The projections cover a period of five years, as the Company believes this to be the most appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows. The growth rates used to estimate future performance are based on the conservative estimates from past performance.

The Company has performed sensitivity analysis around the base assumptions and have concluded that no reasonable changes in key assumptions would cause the recoverable amount of the CGU to be less than the carrying value.

The following growth and discount rates have been considered for the purpose of the impairment testing:

Particulars	As at	As at
	31 March 2019	31 March 2018
Discount rate	16.00%	-
Terminal value rate	5%	-
Budgeted EBITDA growth rate	10%	-

- The discount rate is a post-tax measure estimated based on the historical industry average weighted-average cost of capital.
- The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.
- Budgeted EBITDA has been estimated taking into account past experience and expected growth in the next five years.

Based on the test performed, no impairment has been identified.



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46 Revenue from contract with customers

Type of Service	Timing of recognition	For the year ended 31 March 2019	For the period ended 31 March 2018
Fee from registrars and investor services	Over the period	13,193.68	-
Fee from registrars to the issuer services	Over the period	114.71	-
Income from data processing	Over the period	1,170.69	-
Income from pension fund solutions	Over the period	35.83	-
Recoverable expenses	Over the period	1,354.36	-
Total		15,869.27	-

Information about geographical areas

Revenue from operations attributable to external customers	For the year ended 31 March 2019	For the period ended 31 March 2018
Within India	14,087.20	-
Outside India		
USA	962.47	-
Canada	75.64	-
Rest of World	743.96	-
Total	15,869.27	-

	As at 31 March 2019	As at 31 March 2018
(b) Contract balances:		
Trade receivables	7,924.80	-
Contract assets - unbilled revenue	819.82	-
	For the year ended 31 March 2019	For the period ended 31 March 2018
Reconciliation of revenue with contract price		
Contract price	16,199.38	-
Less : Adjustments for price concessions	330.11	-
Revenue from operations	15,869.27	-



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47 First time adoption of Ind AS

As stated in note 2A, these are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2A have been applied in preparing these financial statements for the year ended 31 March 2019 including the comparative information for the year ended 31 March 2018.

In preparing its Ind AS balance sheet as at 31 March 2018, the Company has adjusted amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP). This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP.

A. Exemptions and exceptions availed:

In preparing these financial statements, the Company has not applied any optional exemptions and below are the details of mandatory exceptions applied.

A1. Ind AS mandatory exceptions

(i) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

A2. Ind AS mandatory exceptions

(i) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 31 March 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company has made below key estimates considered in preparation of financial statements in accordance with Ind AS that were not required under the previous GAAP:

- Fair value of financial instruments carried at fair value through profit and loss and/ or fair value through other comprehensive income
- Impairment of financial assets based on the expected credit loss model

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.



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47 First time adoption of Ind AS

B. Reconciliation between previous GAAP and Ind AS

(i) Reconciliation of equity

Particulars	Notes to first-time adoption	As at 31 March 2018		
		Previous GAAP	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		-	-	-
Goodwill		-	-	-
Other intangible assets		-	-	-
Capital work in progress		-	-	-
(i) Investments in subsidiaries		-	-	-
Financial assets		-	-	-
(ii) Loans		-	-	-
(iii) Other non-current financial assets		-	-	-
Deferred tax assets (net)	2	-	3.78	3.78
Non-current tax assets	1	-	-	-
Other non-current assets		10.81	(10.81)	-
Total non-current assets		10.81	(7.03)	3.78
Current assets				
Financial assets				
(i) Investments		-	-	-
(ii) Trade receivables		-	-	-
(iii) Cash and cash equivalents		1.00	-	1.00
(iv) Bank balances other than cash and cash equivalents		-	-	-
(vi) Other current financial assets		-	-	-
Other current assets		-	-	-
Total current assets		1.00	-	1.00
Total assets		11.81	(7.03)	4.78
Equity				
Equity share capital		1.00	-	1.00
Other equity		-	(7.03)	(7.03)
Total equity		1.00	(7.03)	(6.03)
Non-current liabilities				
Financial liabilities				
(i) Borrowings		-	-	-
Provisions		-	-	-
Other liabilities		-	-	-
Deferred tax liabilities		-	-	-
Total non-current liabilities		-	-	-
(3) Current liabilities				
Financial liabilities				
(i) Trade payables		0.06	-	0.06
(ii) Other current financial liabilities		10.75	-	10.75
Other current liabilities		-	-	-
Provisions		-	-	-
Current tax liabilities (net)		-	-	-
Total current liabilities		10.81	-	10.81
Total liabilities		10.81	-	10.81
Total equity and liabilities		11.81	(7.03)	4.78



47 First time adoption of Ind AS

(ii) Reconciliation of total comprehensive income for the period ended 31 March 2018

Particulars	Notes to first-time adoption	Previous GAAP	Adjustments	Ind AS
Revenue				
Revenue from operations		-	-	-
Other income		-	-	-
Total Revenue from operations		-	-	-
Expenses				
Employee benefits expense		-	-	-
Depreciation and amortisation expense		-	-	-
Other expenses	1	-	10.81	10.81
Total expenses		-	10.81	10.81
Profit before tax		-	(10.81)	(10.81)
Tax expense:				
Current tax		-	-	-
Tax adjustment for earlier years		-	-	-
Deferred tax credit	2	-	(3.78)	(3.78)
Profit for the year (A)		-	(7.03)	(7.03)
Other comprehensive Income				
A. Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit plans		-	-	-
Tax relating to remeasurement of defined benefit plans		-	-	-
B. Items that will be subsequently reclassified to profit or loss				
Total Other Comprehensive Income, net of tax (B)		-	-	-
Total Comprehensive Income for the year (A + B)		-	(7.03)	(7.03)

Reconciliation of total equity as at 31 March 2018

Particulars	Notes to first-time adoption	31 March 2018
Total equity (shareholder's funds) as per previous GAAP		1.00
Adjustments:		
Preliminary expenses written off	1	(10.81)
Deferred tax on Ind AS Adjustments	2	3.78
Total adjustments		(7.03)
Total equity as per Ind AS		(6.03)



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47 First time adoption of Ind AS

Reconciliation of total comprehensive income for year ended 31 March 2018

Particulars	Notes to first-time adoption	31 March 2018
Profit after tax under India GAAP		-
Adjustments:		
Preliminary expenses written off	1	(10.81)
Deferred tax on Ind AS Adjustments	2	3.78
Profit after tax as per Ind AS		(7.03)
Total Comprehensive income for the year		(7.03)

Impact of Ind AS adoption on the statements of cash flows for the period ended 31 March 2018

The transition from previous GAAP to Ind AS did not have a material impact on the statement of cash flows.

C. Notes to reconciliation

1 Preliminary expenses

Under Indian GAAP, preliminary expenses (share issue expenses) were treated as assets and were being amortised over a period of 5 years. However, under Ind AS, the same has been written off and charged to profit and loss.

2 Deferred tax

Indian GAAP required deferred tax accounting using the income statement approach, which focusses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focusses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Also, deferred tax have been recognised on the adjustments made for transition to Ind AS.

48 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the domestic and international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by 30 November 2019, as required by law. The Management is of the opinion that its domestic and international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

49 The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019.

50 The current year figures are not strictly comparable with the previous year figures as the RTA undertaking of KCL and Karvy Computershare Private Limited have been amalgamated into the Company with effect from 17 November 2018. (Refer Note 40).

As per our Report on standalone Ind AS financial statements of even date attached

for BSR & Associates LLP

Chartered Accountants

ICAI Firm Registration no : 116231 W/W-100024

for and on behalf of Board of Directors of

Karvy Fintech Private Limited

CIN : U72400TG2017PTC117649



Akhil Kapadiya

Partner

Membership no : 212991

Place : Hyderabad

Date : 22 May 2019



C. Parthasarathy

Chairman

DIN:00079232

Place : Mumbai

Date : 22 May 2019



V Ganesh

Managing director & CEO

DIN:02282487



Rakesh Santhalia

CFO & Company secretary