



# Future forward

Technology-led | Innovation-inspired | Future-ready

[WWW.KFINTECH.COM](http://WWW.KFINTECH.COM)

Annual Report  
FY 2022-23



# THE CONTENTS

## Corporate overview

Theme introduction	01
Thank you! for believing in us!	02
Chairman's message	03
MD & CEO's message	06
About the company	10
Product and service offering	14
Business model	17
Customer relations	18
Technology infrastructure	20
Human resources	22
Corporate social responsibility	28
Key performance indicators	30
Board of Directors	32
Leadership team	35

## Statutory reports

Management Discussion and Analysis	36
Board's Report	60
Corporate Governance Report	77
Business Responsibility and Sustainability Report	96

## Financial statements

Independent Auditor's Report (Standalone)	122
Standalone Financial Statements	132
Independent Auditor's Report (Consolidated)	197
Consolidated Financial Statements	206
Salient features of financial statements of subsidiaries and associate companies	277
Notice of Annual General Meeting	280

Revenue

**₹ 7,200** Million

↑ 12.59%

EBITDA

**₹ 2,980** Million

↑ 3.54%

PAT

**₹ 1,957** Million

↑ 31.77%



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AAUM serviced

**₹ 12,804** Billion

↑ 6.96%

**229** Million

Folios served (119 million in  
investor solutions and 110 million  
in issuer solutions)



# Future forward

**Technology-led | Innovation-inspired |  
Future-ready**

At KFin Technologies Limited (KFintech), we have established ourselves as a cornerstone within the capital market ecosystem, leveraging the solid foundation built over the last many years.

We have built a solid portfolio of products and services that are powered by cutting-edge technology, and capable of efficiently servicing multiple asset classes in India and globally.

We have created a knowledgeable and skilled team who bring in unparalleled expertise.

We have cultivated long-standing relations with customers, and in many ways participated in shaping the future of capital market industry with path defining initiatives.

Our efforts have earned us a leading position in the market.

As the world embraces digital transformation, with the financial sector at its helm, we are poised to take the big leap forward and shape our future.

Marching ahead on this journey, we recently completed our initial public offer (IPO) to unlock further potential and unleash greater value creation for all stakeholders. Furthermore, we made critical strategic investments to strengthen our presence in new lines of business and reinforce our technology capabilities.

True to our vision, we seek to remain the trusted technology partner to all financial service providers.

As we expand our business across geographies and asset classes, existing and newer, we are committed to delivering comprehensive end-to-end technology services to ensure our client's success and growth.

**We will empower them by staying  
technology-led, innovation-inspired,  
and future-ready.**

# Thank You! for believing in us!

We are grateful for the trust and confidence that investors have reposed on us, as evident in our public issue getting oversubscribed by 2.99 times (excluding the Anchor Investor Portion)\*.

The issue, an Offer for Sale by promoters, General Atlantic Singapore Fund Pte. Limited, is a major milestone in our journey. The overwhelming response gives us encouragement and motivation to build on our market leading position across the diversity of our businesses and take KFinTech to greater heights and create long-term wealth for all.

Thank you.

Issue Size

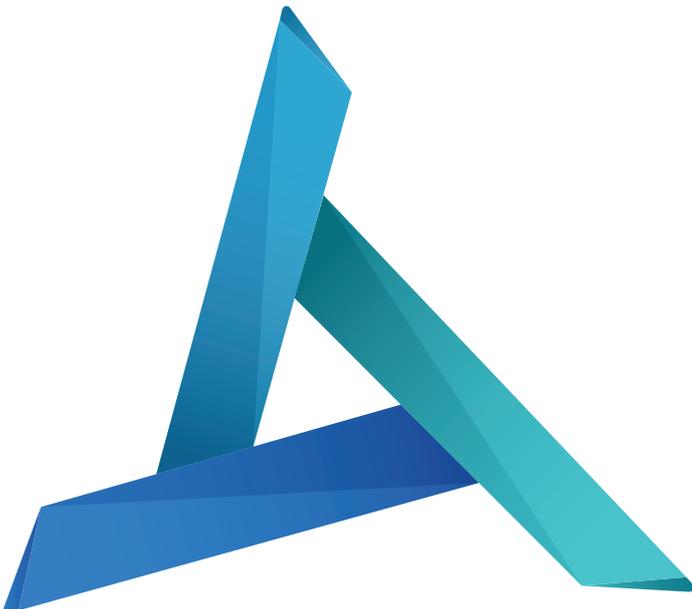
**₹ 15,000** Million

\*Source: NSE and BSE; Listed on December 29, 2022

The Offer was subscribed to the extent of

**2.99** times

(excluding the Anchor Investor Portion)\*



# Chairman's message



Vishwanathan Mavila Nair  
Chairperson and Non-Executive Director

## Dear Stakeholders,

It gives me immense pleasure to present our first annual report post public listing. I express my heartfelt gratitude to all the shareholders for the faith shown in our business model and vision. Your support has made our offer for sale successful. It is a momentous occasion for us, and would be pivotal in our next phase of growth and expansion.

The recent times have been eventful for the capital market ecosystem, marked by sustained disruptions from new technology introductions, innovations in asset classes and increased volatilities. Yet, backed by our technology excellence and market knowledge, we continued to grow our market leading position and emerged stronger. The strength and enthusiasm to do this and beyond, is driven by the trust bestowed upon us by each one of you. We are delighted to have you as partners in our endeavors and remain committed to delivering value sustainably over the long term.

## Built on a solid foundation

KFintech is a young, dynamic and enterprising entity with technology and innovation at core. Starting with a humble beginning by providing issuer solutions, our team has exhibited great vigor to expand operations beyond boundaries and traditional asset classes. Our business today spans Investor Solutions covering domestic mutual funds, international investor solutions in Southeast Asia and beyond, alternatives and wealth management, and pension services. We offer Issuer Solutions to corporates in India. We also operate a center of excellence for one of the world's largest registrars to provide outsourcing solutions services in mortgage, legal, F&A, and transfer agency through Global Business Services.

Our journey thus far has been fulfilling with several milestones. Allow me to highlight a few accomplishments.

We are the largest investor solutions provider and registrar and transfer agent (RTA) in India and amongst the largest

globally, handling nearly 230 million folios between mutual funds and equity. Our value delivery excellence has resulted in 15 out of the last 22 new asset management companies in India, choosing us to manage their operations. With this, we are today the largest service provider to domestic mutual fund industry in India and have 26 out of the 45 asset management companies as our clients. We take pride in serving four of the top 10 AMCs (by size) and six of the top 7 fastest growing AMCs (by percentage).

In the Issuer Solutions business, we are market leaders with an impressive 47% market share by market cap of NSE 500 companies. With over 5,300 corporate clients, including unlisted and listed companies, we have solidified our position as a trusted partner. We hold the distinction of being the first and the only investor solution provider in India having international operations.

### Orchestrating new engines of growth

Domestic mutual fund investor solutions and issuer solutions have traditionally been our key growth drivers. However, in cognizance of the rising significance of financial services we have strategically expanded beyond. We have carefully and purposefully set-up new growth engines in high growth potential areas. This includes expanding internationally and diversifying to newer asset classes of alternatives, pensions, private retirement schemes and bond markets.

These younger business areas are registering faster growth, helping us reduce dependency on the larger businesses. The progress made in the international investor solutions business, alternative and wealth management, and pensions services has been encouraging. We have expanded our client base across these new segments on the back of strong business development efforts and wins from our recently started GIFT City operations. We have also expanded beyond Asia by securing our first client in Canada, leveraging the strength of our recently acquired fund administration platform company, Hexagram. Our international operations now span across

**We are proud to have been honored with the prestigious Asia-Pacific Stevie Award in the gold category for innovation and digital transformation work in the financial services space. The award is in context of our groundbreaking efforts to digitally transform the IPO subscription model during management of India's largest IPO ever, of LIC of India.**

Domestic Mutual Funds

won **15** of last **22**  
new AMCs as clients

Issuer Solutions

**47%**  
market share by market  
capitalisation of NSE 500  
companies

Hong Kong, Malaysia, Philippines, Indonesia and Canada with Thailand and Singapore soon to commence operations.

Overall, in FY 2022-23, the international and other investor solutions businesses grew by 34.69%. The share of non-mutual fund revenues stood at nearly 31%, up from 28% in the previous year.

### Differentiating with technology

We have been an innovative company, and attribute our success to the differentiation and robust operating model that we have been able to create through it. Our modern technology stacks are setting new benchmarks in service offerings, and are scalable, cloud-ready with multi-geography suitability. Additionally, we have developed over 20 value-added products and services in the last 4 years, including two new launches in FY 2022-23. Many of these offerings are industry-first and sector-agnostic, providing enhanced customer experience and optimizing operational efficiency and costs, thus assisting our client's growth. We are effectively monetizing them directly or indirectly through cross-selling and up-selling opportunities.

We are proud to have been honored with the prestigious Asia-Pacific Stevie Award in the gold category for innovation and digital transformation work in the financial services space. The award is in context of our groundbreaking efforts to digitally transform the IPO subscription model during management of India's largest IPO ever, of LIC of India. During the process, we successfully created several platinum standards in terms of technological solutions.

### Being a purposeful organization

We are aware of our responsibilities and ensure operating with a clear sense of purpose in full compliance to ESG standards. Our dedicated efforts have won us the coveted overall rating of ESG-RISK A for the period ended March 31, 2022 (assessment for FY 2022-23 is in progress). This positions us as the best company in our industry, among the 19 issuers, and the second-best company overall among the 616 issuers. The rating establishes our leadership in ESG practice and in managing material risks.

Board independence, business ethics and data privacy & security are areas where we have excelled. On the environmental front, we have reduced GHG emissions through energy efficiency measures alongside ensuring effective waste and water management. On the social pillar, we have steadily progressed towards becoming an employer of choice with efforts around equal opportunity, safety and training and development. We collaborate with institutions including schools and colleges to support youth in education, innovation, technical skillset, financial literacy, fine arts, restoring bio-diversity etc. On the governance pillar, we have worked diligently towards enhancing ethical practices, compliances, transparency and accountability, and protecting the rights of our stakeholders.

We remain committed to continually improve ESG practices, and secure our long-term sustainability.

### Powering long-term growth

We see significant opportunities both in India and our International markets. Indian economy is rapidly growing, with rising per capita income, increasing financial awareness and interests from global investors. This has increased activities in the capital market ecosystem, and we see continued expansion and financialization.

The international markets where we have established a presence offer even more exciting prospects. The overall assets under management in the South-East Asia market is double that of India's, with limited third-party service providers at scale and a growing affinity for outsourcing services like transfer agency and fund administration together. The capital markets here are equally attractive and expected to witness traction. The global fund administration market is poised for significant growth driven by expansion of the global alternative segment. With increasing product complexity and globalization, along with the need to adhere to complex regulatory changes and meet demand for automation and real-time information, the role of third-party fund administrators like KFinTech shall become increasingly crucial.

We are determined to grow, supported by our solid established business model and best-in-class technology platforms, products, and people. As market leaders, we also understand our responsibilities and remain committed to enabling a healthy capital market ecosystem across our regions of presence, to benefit all stakeholders including our customers, the distribution channels and the investors.

We are confident of the long term, and will continue to invest in technology, processes, business development

■ **As market leaders, we also understand our responsibilities and remain committed to enabling a healthy capital market ecosystem across our regions of presence, to benefit all stakeholders including our customers, the distribution channels and the investors.**

and attracting the right talent to further strengthen our performance. We will continue to explore organic and inorganic growth opportunities, adding value for our clients and investors. We have a proven track record of undertaking strategic acquisitions and effectively integrating and growing them. Last year, we acquired Hexagram, a specialist in fund administration solutions. Since then, we have enhanced its portfolio to offer end-to-end fund administration. It helped us win new clients in India and global markets and positioned us as a preferred global fund administrator.

Continuing the journey, we made two new strategic acquisitions. In March 2023, we have invested for a minority stake in Fintech Products and Solutions India Private Limited that runs the TSP, MoneyOne, and is the licensed owner of OneMoney, India's first Account Aggregator (AA) with over 40% market share. In April 2023, we also acquired 100% stake in WeBileApps (India) Private Limited to accelerate our product development in SaaS and PaaS models, deepen our technology finesse in cloud, artificial intelligence, machine learning, UI/UX and mobility solutions

### Closing message

On behalf of the entire Board, I once again thank all the shareholders for believing in us. I extend my gratitude to our customers for choosing us as partners and our employees who have been at the forefront to ensure our success. I also thank the regulators, government, capital market participants and industry peers, and reaffirm our commitment to collaborate in driving the growth of the capital market ecosystem and promoting thought leadership.

We remain dedicated to creating long-term value for all our stakeholders including shareholders, customers, employees, Government, and the society. We earnestly seek your sustained support for a better tomorrow.

Warm regards,

**Vishwanathan Mavila Nair**

*Chairperson and Non-Executive Director*

## MD & CEO's message



Sreekanth Nadella  
Managing Director and CEO

### Dear Stakeholders,

I am delighted to report our performance for the year through this maiden annual report as a listed entity. At the outset, I thank all investors for the overwhelming confidence shown in our growth story and responding enthusiastically to our offer for sale of equity shares aggregating ₹15,000 million. Your support has been truly remarkable and motivates us to ascend to greater heights.

FY 2022-23 has been an outstanding year. Even as we got busy with getting the Company listed, we maintained sharp focus on business to deliver resounding performance, meeting the expectations and aspirations of our valued shareholders. More importantly, we diligently executed several strategic plans that lay the foundation for a stronger, reliable and profitable growth in the years to come.

### Operating in a volatile market

The overall operating environment in FY 2022-23 was challenging. Heightened fears of the world going into recession along with rising inflation and interest rates, resulted in a highly volatile market. Overall, the mutual fund AAUM grew 5.55% compared to a strong growth of 19.56% in the previous year. Through the year, the markets witnessed sustained increase in equity AUM and SIP retail channel inflows, which are stickier and efficient routes, indicating the growing trust of investors in India's equity and capital markets. The other asset classes also increased including alternative investment funds and pensions.

In the global context, the markets in South-East Asia were reasonably tepid, underpinned by mark-to-market erosion in the stock markets.

## All-round performance with market share gains

Despite market volatility, we have delivered a resilient performance in FY 2022-23, supported by our solid and diversified business model. Revenue from operations for the year grew by 12.59% to ₹7,200.27 million. EBITDA grew by 3.54% to ₹2,980.36 million with a margin of 41.39% which is well within our defined sustainable range. PAT grew stronger by 31.77% to ₹1,957.36 million with a margin of 27.18%.

We saw secular growth across all our segments. Our primary domestic mutual funds investor solutions business continued to outperform the industry AAUM growth. Revenue from the segment grew by 8.08% to ₹4,972.25 million driven by higher equity mix in the overall AAUM and faster growth delivered by our clients' portfolio. We gained market share in the overall AAUM which improved by 42 basis point to ~32%. Our equity market share was stable at ~35% driven by a strong 23.39% growth in the retail SIP book inflows of our clients. SIP monthly inflows market share was at 41% in March 2023, a leading indicator for growth in equity AAUM market share. 44% of the live SIP's investor accounts are with KFinTech's clients.

The issuer solution business delivered a solid 28.14% growth in revenues to ₹1,132.96 million driven by strong retail participation and folios growth. We added 593 corporate clients, taking our total count to 5,363, and improving our market share by 140 basis points to 38% among NSE500 companies. The number of folios managed by us increased by 7.50 million to 110 million resulting in a 230-basis point improvement in market share to 42% among NSE500 companies, based on market capitalisation as on March 31, 2023. We also had the privilege of managing India's largest initial public offer (IPO) of Life Insurance Corporation of India besides nine other mainboard IPOs during the year.

The international and other investor solutions segment which comprises younger businesses, grew at a faster pace, registering a 34.69% growth in revenues to ₹657.35 million.

The journey in the international market has been encouraging. We started with barely eight clients and providing Registrar & Transfer agents (RTA) solutions in 2016. As on March 31, 2023, we have grown to 40 clients, and emerged as a preferred technology partner for RTA solutions and also provide fund administration solutions. Revenue grew 10x during this period. We currently operate in Malaysia,

**We saw secular growth across all our segments. Revenue from operations for the year grew by 12.59% to ₹ 7,200.27 million. PAT grew stronger by 31.77% to ₹ 1,957.36 million with a margin of 27.18%.**

Hongkong, Philippines, Canada, Middle East, GIFT City (India) and will soon start in Singapore followed by Thailand.

FY 2022-23 was a tough year for international business, with mark-to-market losses in South-East Asia and resulting decline in AUM managed by our clients. However, we protected our revenue supported by minimum fee structure in our international contracts. We went live with GIFT City operations to service global alternative funds and secured a maiden contract in Canada where services have been started. We have also received in-principle regulatory clearance from Thailand's Securities & Exchange Commission and expect to commence operations soon, once we receive the approval from Indian regulators. Moving into FY 2023-24, we are excited about the growth in this segment as we aspire to expand our services in future to service large asset managers and newer geographies including the United States and Europe, leveraging our fund administration capabilities.

The alternatives & wealth management business delivered strong results. With 143 additions, the number of funds serviced by KFinTech grew by 53.36%, helping us to improve our market share to 37% as compared to 30% last year. The assets under management grew by 21.80%. We also launched our GIFT City operations and hold the largest market share, managing 13 alternative funds. We won the first wealth management client for our Datalake platform and also expanded the scope of our state-of-the-art digital onboarding platform to include wealth management clients. We are confident of this segment as we continue to invest in business development efforts, technology and delivery excellence to acquire large global funds in India and abroad.

The acquisition of Hexagram Fintech Private Limited in February 2022, has enhanced our capabilities. We are now among the very few entities from India having fund administration capabilities for servicing multi-asset, multi-geography and multi-currency global fund managers.

Hexagram independently services 27 clients in India and abroad besides enabling acquisition and servicing of alternative clients across geographies.

In national pension services, we are the second largest central record keeping agency in India and continue to outgrow industry. During the year, we achieved 27.99% growth in subscriber base to service 0.96 million subscribers, translating to a market share of over 7% on the overall subscriber base. In the corporate segment, we launched a new product "Futu₹" and added 512 new corporate clients. It has also been an eventful year as we completed the phase 1 transition of subscribers from Madhya Pradesh state government to our platform. We are currently re-architecting our channel partner platform to empower our point-of-presence partners with seamless technology and features. With subscriber-first approach and digital focus, we will continue to gain market share by acquiring through all citizen channel, winning corporate clients and collaborating with the state governments.

### Venturing the buoyant account aggregation space

We are optimistic about potential of the novel account aggregator space and the underlying technology. Driven by the Government of India's intent to expand a data-driven economy around financial services and ensure financial inclusion, it can transform the way Indian consumers borrow and avail financial advice. Today, we are managing around 229 million investor folios across our investor and issuer solutions in India which can, with consumer consent, enter the account aggregator ecosystem to avail different kinds of financial services.

■ **Our infrastructure is future-ready and scalable, handling an average 1.5 million daily transactions with headroom for more. We have leveraged our technology capabilities supported by a dedicated team to launch over 20 products in the last 4 years to provide value-added services (VAS) to our customers, including two new launches in FY 2022-23.**

■ **Today, we are managing 229 million investor folios across our investor and issuer solutions in India which can, with consumer consent, enter the account aggregator ecosystem to avail different kinds of financial services. Aligned to this, we have acquired a 25.63% stake in FPSIPL, the licensed owner of India's first account aggregator with over 40% market share.**

Aligned to this, we have acquired a 25.63% stake in Fintech Products and Solutions India Private Limited (FPSIPL). It offers technology service provider (TSP) services, under the brand "MoneyOne", and is the licensed owner of India's first account aggregator, under the brand "OneMoney", with over 40% market share. FPSIPL has already onboarded most of the marquee banks, NBFCs and fintechs as financial information providers and users.

### Reinforcing technology edge

Technology and innovation are key enablers for KFinTech. We are continuously investing in new talent and capabilities to help our clients grow and enhance our operational efficiency. We have modern technology stacks and provide data-driven technology solutions in a highly secured and fully compliant environment. These enable us to deliver excellence in operations across all business lines. Our infrastructure is future-ready and scalable, handling an average 1.5 million daily transactions with headroom for more.

We have leveraged our technology capabilities supported by a dedicated team to launch over 20 products in the last 4 years to provide value-added services (VAS) to our customers, including two new launches in FY 2022-23. These services empower customers with data-driven decisions to enhance business outcomes and provide us with new revenue streams. In the past year, VAS accounted for 5.29% of our total revenue. Our aim is to enhance its contribution by extending offerings to a larger pool of clients across geographies.

In April 2023, we have acquired 100% equity stake in a Hyderabad-based product development and design company, WebileApps (India) Private Limited, which specializes in UI/UX, artificial intelligence, machine learning, mobility solutions and other products development. We intend to leverage its competencies to accelerate our technology and product development.

### Focused market growth strategy

KFintech has come a long way establishing multi-geography and multi-asset operations, with market leading positions and a well-diversified business model. Looking ahead, we see significant growth opportunities across our business segments. Our aim is to continually enhance and sustain our leadership position taking the advantage of financialization of the Indian economy and expanding footprints to new geographies by becoming a technology partner of choice for the global asset managers.

ESG will be an important focus area in our journey ahead. We have one of the most evolved governance mechanisms with robust policies for ethical practices, transparency and accountability, to safeguard interests of all our stakeholders. As a technology solutions provider to global financial institutions, we handle large volumes of data and have implemented stringent data privacy & security policies and processes to ensure a highly reliable operation. We have a BitSight score of 800 as on March 31, 2023.

Highly skilled and engaged team are instrumental to growth and long-term success. We are proud to have some of the best minds working with us and have also augmented our senior management to take forward business strategy. We run multiple training and development programs to assist their career development in alignment to organizational goals. We have also introduced various people-friendly policies to create an engaging workplace and ensure higher retention.

While our operation has minimal environmental impact, we understand the risks that climate change poses. We have accordingly implemented practices for efficient use of resources like energy and water and effectively disposing of wastes.

 ESG will be an important focus area in our journey ahead. We have one of the most evolved governance mechanisms with robust policies for ethical practices, transparency and accountability, to safeguard interests of all our stakeholders. As a technology solutions provider to global financial institutions, we handle large volumes of data and have implemented stringent data privacy & security policies and processes to ensure a highly reliable operation. We have a BitSight score of 800 as on March 31, 2023.

### Closing message

I thank all our stakeholders for their continued support and confidence in us. I thank our regulators for creating an enabling environment where all participants can thrive, the shareholders for the trust put in us and the customers for believing in us.

The last few years including FY 2022-23 have been wonderful. We are young and brimming team full of energy to build a globally relevant organization. I believe that the coming decade belongs to India and KFintech is well poised to be part of it. KFintech team remains committed to achieving greater heights and maximize value for all its stakeholders.

Warm regards,

**Sreekanth Nadella**

*Managing Director and CEO*

## About the company

# KFin Technologies: Transforming financial services globally

We are a globally renowned financial services platform with technology at the forefront. We specialize in providing comprehensive services and solutions to the capital markets ecosystem, including asset managers and corporate issuers across asset classes in India and worldwide.

Powered by our deep knowledge of capital markets and an innovation-driven culture, we have curated an impressive portfolio of technology-driven products, solutions and platforms, that sets us apart in the industry.

## About us

We are a leading technology-driven financial services platform with over three decades of experience. Our focus on technological advancement and innovation has earned us a reputation as a reliable provider of comprehensive solutions to capital markets ecosystem worldwide.

We began with providing issuer solutions, and have grown to become the largest player, serving top-tier clients. We then expanded into the domestic mutual fund business, establishing ourselves as a preferred service provider to 26 out of 45 AMCs, led by our technological superiority. Concurrently, we made strides in the alternative and wealth management space, continually expanding fund portfolio and gaining market share.

In 2016, we went international, acquiring a leading German bank's captive unit in Malaysia, and in 2017 we also became the central record keeping agency for National Pension Services in India. Year 2018 was a pivotal moment with General Atlantic, a leading private equity player, acquiring a controlling stake in our company. This started a transformative phase with focus on innovation, technology and efficiency, allowing us to broaden product suite, diversify and grow geographically.

In 2019, we acquired the investor solutions business from Sundaram BNP Paribas Fund Services which enabled us to add 2 AMC and 20 alternative funds as clients. In 2022, we acquired Hexagram Fintech Private Limited, strengthening our position in the fund administration including fund accounting space, and enabling us to serve multi-asset, multi-geography, and multicurrency asset managers globally. In 2023, we entered the novel account aggregator business by investing for minority stake in MoneyOne and acquired 100% stake in WebileApps India to foster our digital transformative journey.

With our recent listing on the NSE and BSE, we solidified our presence in the market. Today, we have market leading positions in investor and issuer solutions, international business, alternative and wealth management and pension services. Through our technology-driven products, solutions and platforms, we are empowering our asset management clients, enabling them focus on core business functions whilst entrusting bulk of operational activities to us. We remain committed to technological advancement, innovation, and global expansion, and position ourselves as a frontrunner in the financial services industry.

## ETHOS



### Vision

Our vision is to be the trusted technology partner to all financial service providers. As we expand our business to newer geographies and asset classes, we aim to provide end-to-end tech services to all types of financial institutions.



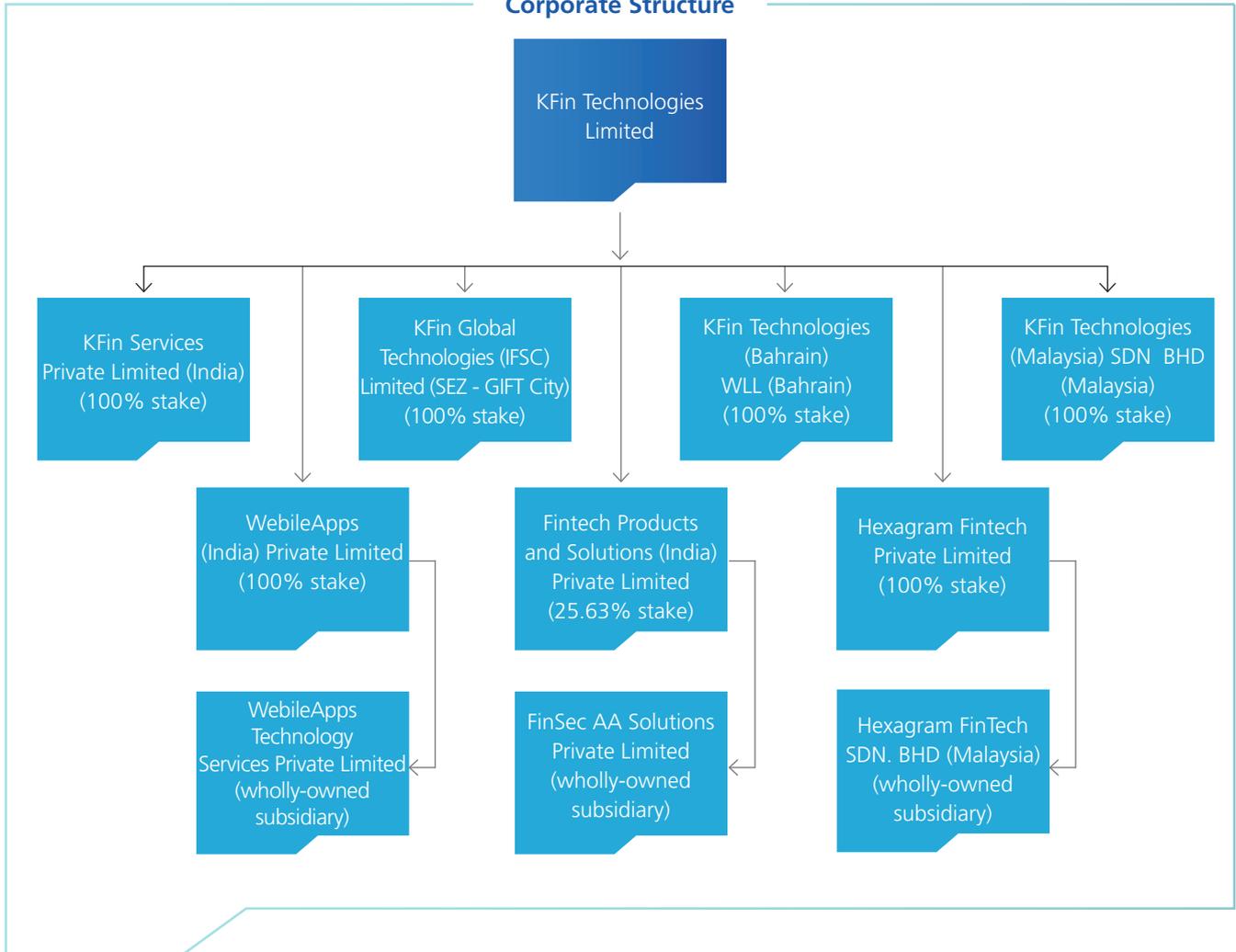
### Values

Our core values are designed and internalized to shape the culture and define the character of our organization. Our converging set of core values is our north star guiding how we act and how we make decisions. We are, forever, committed to the cause and always act with integrity and in compliance with the law.

#### Values that signify KFinTech's unwavering commitment to all its stakeholders:

- Client Success: Deliver to Delight
- Respect for People: Value and Celebrate individuality and togetherness
- Innovate and be exceptional: Challenge the paradigm
- Will and Skill to win: Foster the culture to Win and Wanting to Win
- Lead with integrity and live by compliance: Think and Act based on values
- Unhinged Accountability: We are that passionate
- Evolve, on demand: Nimble and fluid, stay ahead of the game

**Corporate Structure**



Market Cap  

**₹ 47,426 million**  
 (as on March 31, 2023)

## A premier technology-driven financial services platform

### Investor Solutions – Domestic Mutual Funds

Investor solutions provider to Indian MFs<sup>1</sup>

AMCs in India with an AAUM<sup>3</sup> of ₹12.8 trillion being serviced

Last new AMCs launched in India; a de-facto choice for new AMCs

## Largest

## 26<sup>2</sup> of 45<sup>2</sup>

## Won 15<sup>4</sup> of 22<sup>5</sup>

Equity MF AAUM market share<sup>3</sup>

## 34.54%

March 2023 SIP monthly inflows market share

## 40.94%

Total investor folios

## 119 Million

### Issuer Solutions

Market share<sup>6</sup>

## 47.31%

Corporate clients

## 5,363

Investor folios managed

## 110 Million

### International and other investor solutions

International clients<sup>7</sup>

## 40

NPS

## 1 of 3

operating CRAs in India

AIF Funds

## 411 Funds

37% market share<sup>8</sup>

Note: Metrics as of March 31, 2023, unless stated otherwise; (1) based on number of AMC serviced; (2) metric as on March 31, 2023; 3 out of 26 are yet to start operations and 5 out of 45 are yet to start operations; (3) AAUM represent last quarter average; (4) metric as on March 31, 2023; includes 3 AMCs which are yet to start operations; (5) metric as on March 31, 2023; includes 5 AMCs which are yet to start operations; (6) based on market cap of NSE 500 companies (March 2023); (7) metric as on March 31, 2023; 24 clients in Malaysia, 3 clients in the Philippines and Hong Kong, 1 client in Middle East and Canada each and 3 clients in GIFT City. Additionally, 2 clients in Malaysia, 1 clients in Singapore and 5 clients in Gift City yet to go live; (8) based on total AIFs registered with SEBI

Product and Service offering

# Offering critical services across asset classes and geographies

We provide a wide range of critical investor and issuer solution services across diverse asset classes to clients in the Indian capital market ecosystem as well as in South Asia. Powered by data-driven technology that combines in-house platform technologies and value-added services products, our solutions enable us to handle a bulk of our clients' operations with utmost efficiency.

## A snapshot of asset-class and geographies that we serve



## Investor Solution

### Value-added service offering

#### Domestic Mutual Fund Solutions

We act as a single window for investors and provide a bouquet of core registrar and transfer agency services and fund administration services to asset managers. We additionally offer a range of products and value-added services portfolio spanning technology-driven offerings as a part of composite offerings. We are the largest and preferred investor solution provider to the Indian mutual funds, serving 26 of the 45 asset management companies. In addition we also provide fund accounting solutions to six asset management companies.

- **Digix:** A data analytics and reporting tool with intelligent report builder functionality to cater to all needs of sales, marketing, and operation team
- **Distributor Initiated Transaction (DIT):** A front-end application for AMC sales channels
- **KBolt Go:** A virtual branch platform, that eliminates the need for physical branch infrastructure
- **ICR tool:** An advanced intelligent character recognition tool that eliminates the manual data entry workflow
- **INSTABrokerage:** A unique intelligent automated tool to compute daily brokerage of distribution channel partner of AMCs empowering them to pay on demand to their channel partners
- **Others:** Distributor platform, investor platform, IT Infra and web hosting

### Key business highlights, FY 2022-23

- Kfintech serviced AAUM\* registered faster than industry growth at 7% (overall) to ₹12.80 trillion
- Market share in overall AAUM improved to 32% as compared to 31% in the previous year
- Equity market share stable at 35%; equity mix in the overall AAUM improved further to 55%
- SIP inflow increased by 23.39% to ₹ 652 billion in FY 2022-23. Our market share was 42% in March 2023
- Won new mandate of Old Bridge Capital Management (AMC)
- MF Central CAS API went live. It will explore opportunities of all commercial and non-commercial transaction APIs extending to the digital and fintech ecosystem
- Number of transactions handled increased by 10.17% and 303.13 million

#### Issuer Solutions

We are the largest issuer solutions providers in India based on the number of clients serviced. We provide a comprehensive set of corporate registry services such as folio management, transaction processing for corporate actions (like IPO, FPO, dividends, buybacks, rights issue, etc.) and various compliance-related reporting requirements. We also provide various value-added services on a platform-as-a-service basis.

- **KARISMA:** For virtual online registry
- **Fintrak:** An insider trading management platform
- **e-Voting:** An online e-voting software
- **KPrism:** A mobile-based platform to allow shareholders view their investments
- **Pushpak:** An initial public offering bidding platform
- **eAGM:** A video conferencing and e-voting platform
- **eVault:** A platform for data security

- 593 clients and 7.5 million folios added, taking total count to 5,363 and 110.09 million respectively
- Number of transactions managed increased by 4.72% to 3.09 million
- Managed 10 mainboard IPOs, including India's largest IPO of LIC, with an IPO issue size market share of 57%
- Market share by market capitalization of Nifty 500 companies at 47.31%

#### International Investor Solutions

We provide fund administration and transfer agency services as well as technology-backed value-added products and services to asset managers in Southeast Asia and beyond. We cater to global alternative funds, mutual funds, private retirement schemes and unit trusts across Malaysia, Philippines, Hong Kong, Singapore, Canada, Maldives and Oman, including GIFT City (India).

- Online transaction platforms, analytics, website hosting, mobility solutions, reconciliation, digital onboarding and other platform solutions
- Total clients base increased to 40, as on March 31, 2023
- Overall AAUM served ₹545.32 billion
- Number of transactions handled increased by 22.80% to 3.97 million
- Launched GIFT city operations to service global alternative funds
- Acquisition of Hexagram helped add seven fund administration clients including first client in Canada
- Received in-principle clearance from Thailand's Securities & Exchange Commission for setting-up operations

\*AAUM represents average assets under management during the last quarter of the period

## Key business highlights, FY 2022-23

### Alternatives and Wealth Management Solutions

We provide end-to-end services to alternative investment managers (private equity, venture capital and other investors), wealth and portfolio managers. These include digital onboarding, fund administration, fund accounting, corporate services, registry and transfer agency, stamp duty, technology solutions, revenue assurance, customer communication management, analytics and compliances.

- Added 143 new funds, taking the total funds serviced to 411
- AUM grew by 21.80% to ₹614.69 billion
- Launched GIFT City operations - 13 funds in the GIFT City
- Extended digital onboarding platform beyond alternative fund managers to wealth and portfolio management clients
- Won maiden contract for Datalake platform for one of the largest wealth clients of India
- Launched scholarship program for Equalifi's Fund Administration Leaders Program

### National Pension System (NPS)

We are the second largest operating central record keeping agency (CRA) for NPS, a retirement benefit scheme introduced by the Government of India and governed by PFRDA. We provide end-to-end services for permanent retirement account number issuance, record keeping, administration, and investor support. We also offer differentiated and technology integrated offering to points of presence (POPs) to drive investor acquisitions. We integrate the pension ecosystem participants on a single operational interface. We provide solutions for all-India citizen model, corporates, central government and state governments. We have specific and targeted solutions for corporate employees, state governments, and POPs.

- Added 0.21 million subscribers and 589 corporate clients taking the total count to 0.96 million subscribers and 1,985 corporate clients
- Market share in overall subscriber base improved to 7.30% as against 6.50% in the previous year
- Within new subscriber addition the market share was at 14.50%
- Launched 'Futu₹', an exclusive product for corporate NPS

### Global Business Solutions

We operate a center of excellence in India for one of the world's largest registrars – Computershare and provide a range of outsourcing services including mortgages, transfer agency, legal services, finance and accounting, wealth management service solutions, etc. We have expertise in the mortgage space led by domain experts. Our technology excellence and execution skills along with low-cost advantage make us a preferred outsourcing partner. As of March 31, 2023, we have 371 employees and handled 64 million transactions in FY 2022-23.

## Business model

# A rich legacy powered by excellence

## Scalable platform with proven track record

### Ability to grow businesses

We have a successful track record of establishing a market leading or dominant position across all our businesses in India including mutual funds, issuer solutions, alternatives and wealth management and NPS subscription. We continue to consolidate this position led by our technology-edge, portfolio and value-added services, expertise and relations. We are successfully replicating this achievement in the international market where our expertise supported by business development efforts, focus on delivery excellence, next generation technology and low-cost operation advantage are enabling us to grow rapidly.

### Ability to acquire, integrate and nurture synergistic businesses

We have a proven track record of acquiring, integrating and nurturing value-accretive companies. With this, we create opportunities for up-sell (replicating and scaling acquired expertise across our platforms) and cross-sell (to existing clients and offering our platform to newly acquired clients) and expanding presence beyond India. Our successful acquisitions include the international investor solutions business and the RTA business of Sundaram BNP Paribas Fund Services.

In FY 2021-22, we expanded our capabilities by acquiring Hexagram Fintech India Private Limited. It helped establish us as a full-suite fund administrator, capable of offering innovative technology-backed solutions to the global asset managers. Hexagram's product platform and solutions expertise, combined with KFintech technology prowess and managed services domain expertise, enabled us to secure several new wins in India and internationally during the year.

In FY 2022-23, we entered the novel account aggregator business by investing for 25.63% stake in Fintech Products and Solutions India Private Limited, India's first account aggregator and technology service provider with over 40% market share. In April 2023, we also acquired 100% stake in WebileApps (India) Private Limited, an enterprise product development and design company. Specializing in artificial intelligence, machine learning, mobility solutions, UI / UX, and other products development for banking and financial services industry, it will help accelerate digital transformation.

### Scalable platform

Our in-house platforms are built for scale, enabling us to seamlessly absorb growing business volumes. We are investing in it to further strengthen this competitive advantage by increasing operating leverage, driving innovation and delivering increased efficiencies while providing our clients and other stakeholders with our integrated platform of services.

## Diversification across assets and geographies

Our diversification across asset classes and geographies reduces dependence on any single source of revenue, in addition to the immense growth potential they offer. India is expected to witness rapid GDP growth along with rise in financialization of savings which is set to boost investments across mutual funds, equity, alternate assets, pension schemes, and insurance.

The combined South East Asian markets of Hong Kong, Malaysia, and Philippines, where we operate, and Singapore and Thailand markets, where we will soon commence operations, are more than double the size of the Indian market in terms of assets under management. We are among the largest recognized third-party transfer agency service providers in these markets and also offer fund administrations services to global alternate asset managers. This positions us to capture the transition opportunities emerging in these markets as asset managers look to outsource operations to recognized and technology-focused third-party service providers.

We are equally excited about the fund administration opportunities in developed markets like the United States, the United Kingdom, Canada and others given the strong growth in alternative investment funds. Our newly-launched operations in GIFT City, India is enabling us to attract global alternative asset managers and provide opportunities for RTA and fund administration services, as evident in first fund administration client win from Canada.

Thus, a combination of presence in diverse asset classes and geographies, all of which are expected to witness strong growth, position us for stronger and predictable growth.

### Asset-light operations

We operate an attractive asset-light business model which has a demonstrated track record of consistent profitability and returns and also generates strong free cash flows. This provides adequate headroom for investing in growth initiatives. Besides, the recurring nature of revenues and diverse revenue model across businesses, make our operations highly resilient and predictable.

### Our asset-light model advantage:

EBITDA margin\*

**41.39%**

Free cash flows\*

**₹ 1,554 million**

Asset turnover\*\*

**3.52x**

\*in FY 2022-23

\*\*As on March 31, 2023

Customer relations

# Powered by deep relations and customer-centric approach

Our clients rely on us as a strategic partner to manage their operations with utmost efficacy while helping them strengthen reputation and drive business growth. We ensure this by leveraging our cutting-edge technology platforms and products and a unique operating model. With continued investment in technology and innovation, we remain committed to helping our clients excel.



### A one-stop shop for clients

We offer end-to-end services to our clients. We support our customers' across the entire lifecycle, including end-to-end transaction management and omni-channel transaction origination, channel management, customer onboarding with integrated KYC and real-time compliance checks. We further ensure accurate, timely, continuous, secure, compliant and technologically-advanced services, enabling adherence to regulatory and smooth, uninterrupted operations. We also continually automate processes and enhance our systems and risk management capabilities to ensure all our obligations and regulatory requirements.

Our ability to successfully manage a large part of their operations and provide complex solutions and services with expertise makes us an integral part of their business and operations. This has culminated in long-term engagement and limited client churn.

### Empowering business reputation and success

Our robust platforms are at the forefront of delivering superior experiences to our client's customers and distributors by ensuring seamless and frictionless services, and thus driving their overall reputation. It further helps our clients to reduce cost and drive business success by reallocating resources to other value-creating activities that are core to them.

### Future-ready offerings

We have one of the most modern technology stacks and provide our clients data-driven technology solutions that combine our in-house platform technologies and value-added services. This helps meet their requirements as well as empower them with advanced data analytics to make business decisions. We intend to further deepen our client relationship by offering multiple platform solutions such as digital platforms for intermediaries, synchronized transfer agency and fund administration platforms, scalable and secure technology and infrastructure with cyber-security-as-a-service, data analytics-as-a-service (DaaS) and a customer data platform.

### Partners of choice for MFs, issuer solutions, and alternate asset managers in India

We enjoy strong relationships with our clients in India powered by our domain expertise, ability to provide differentiated high-technology platforms and nimble delivery while being dedicated to their success.

#### The result:

- We on-boarded 15 of the last 22 new AMC's in India
- We retained almost all our clients in domestic MF business (except where our client was acquired by another AMC or there is a change of management)
- We have 96% logo retention in issuer solution business
- We enjoy 10+ years of average client relationship within domestic MF and issuer solutions
- Over 98% of our revenue are recurring in nature

### Our value proposition for clients

- Trusted provider of services led by our culture of compliance, focus on systems, processes and technology and robust cyber security
- Enabling clients to support their customer needs across lifecycle and helping them adapt to dynamic environment
- Offering multiple platform and data-driven solutions

Technology infrastructure

# Driving leadership through technology and innovations

Our market leadership is enabled by our robust technology infrastructure and steady evolution into a financial technology company driven by a platform-as-a-service (PaaS) model. It contributes to unmatched scale, speed and accuracy. We remain focused on consolidating our technology leadership with sustained investments and nurturing a culture of innovation.



## Our technology edge

Our technology infrastructure is capable of supporting transaction lifecycle management with utmost secure data collection, processing and storage. Our infrastructure handled over 1.50 million average daily transactions (ADT) in FY 2022-23. These transactions were done with an accuracy of 99% with 99% of transactions processed in agreed timelines. Besides, with the data center being outsourced to a third-party, who has nearly 350 servers, and over 250 TB storage capability, our platform offers scalability as per need with the same efficiency, making it future-ready.



### A scalable technology infrastructure

KFintech's technology infrastructure is capable of rapid scaling with the ability to handle over 2 times the current level of 1.50 million average daily transactions in FY 2022-23.

### Unique PaaS model for comprehensive offering

We have implemented a platform-based, cross-sell approach, enabling us to provide support across front-, middle- and back-office combined with a suite of value-added services (VAS). Through sustained engagement and collaboration, we develop suitable solutions for their specific requirement alongside cross-selling products and VAS.

Our VAS offerings include Digix, Datalake, white-labeled digital platforms (AMCs websites and mobile apps), platforms for distributor / AMC employees / institutional investments, and business insights reports for CXO's of AMCs among others. They facilitate opportunities to increase wallet share with existing clients and are easily extendable across clients with minor modification, providing the advantage of economies of scale.



### Digital excellence delivered: Enabling quicker turnarounds

At KFintech, we successfully delivered a comprehensive go-to-market solution for a new AMC player on their first day of launch in India. The suite included a transactional website and applications for investors, distribution support applications and new fund offer specific support systems.

#### The result:

Our new asset management client, during their debutant launch, achieved a new fund offer of ₹ 52,164.30 million.

### Driving efficiency and excellence with new-age technology

We have invested in a future-ready modern technology stack and cloud-ready products and platforms that drive significant automation across our operations. It has enabled us to significantly enhance speed and accuracy of transaction processing alongside reducing costs and manual errors by eliminating the manpower needs. Our operating cost has declined from 65% of total revenue in FY 2019-20 to 59% of total revenue in FY 2022-23.

#### Technology-led operational excellence at KFintech

Transactions processed within agreed timeline

**99%**

Average number of transactions processed per average headcount, 8.8% increase over FY 2021-22

**6,416** per month

Human resources

# Creating a team of motivated and skilled people

As a technology company engaged in a business requiring specialized knowledge, attracting and retaining talented people and skilling them is key to our success. We strive to provide them a result-driven, rewarding and transparent workplace, combined with training programs and opportunities to participate in diverse and international projects. It strengthens our reputation as an employer of choice and contributes to our operational efficiency and productivity gains.



## Building talent pool and leadership

We have established a supportive work culture that fosters employee growth, engagement and well-being, including providing ESOPs. This has helped us in attracting the best talent pool of engineers, developers and other IT specialists to drive product innovation, technology strategies and meet client demands. We have also augmented our senior management team over the last two years by appointing experienced individuals for positions like Chief Technology Officer, Chief Business Officer, Chief People Officer, and under international business - Regional Business Heads.

Further, we are transforming by investing in building a robust global business development team to win new clients and foster client relationships. With a focus on technology, we have invested in a talented team of over 750 engineers, including data scientists and product engineers, to drive innovation, automation, new product development and delivery excellence.

## People development – reigniting the passion to learn

We have implemented a robust in-house learning management system (LMS) platform to meet the internal learning and development needs. Our aim is to foster continuous upskilling, re-skilling, and a passion for knowledge through our Learning and Development Framework, which is based on the 3C model (Competency, Capability, Capacity).

Towards this, we have curated a bouquet of programs that managers and business heads can choose for enhancing skills of their team. These include:

### Micro Learning Programs (MLPs)

MLPs offer bite-sized content with specific learning outcomes. Each program lasts an hour, and is followed by an assessment based on real-life case studies. We have successfully conducted 33 programs so far, with over 300 participants. We intend to convert it into eLearning modules, and make them mandatory for career progression.

### Training calendar

We meticulously prepare comprehensive annual, monthly and customized department calendars that encompass a schedule of various learning and development sessions. This diligent planning ensures seamless and uninterrupted learning experience across the organization.

### Annual Proficiency Test

We conduct APT to assess proficiency level of employees in process knowledge, for which refresher sessions are provided to help preparing for the test. It also help determine domain experts and master trainers.

### NISM Refresher Sessions

NISM conducts certification examination for various Securities Market Participants and Intermediaries. This certification is mandatory for all client-facing employees. Our central L&D trainers conduct refresher sessions and mock tests to support employees in their preparation.



### LMS e-Learning Platform

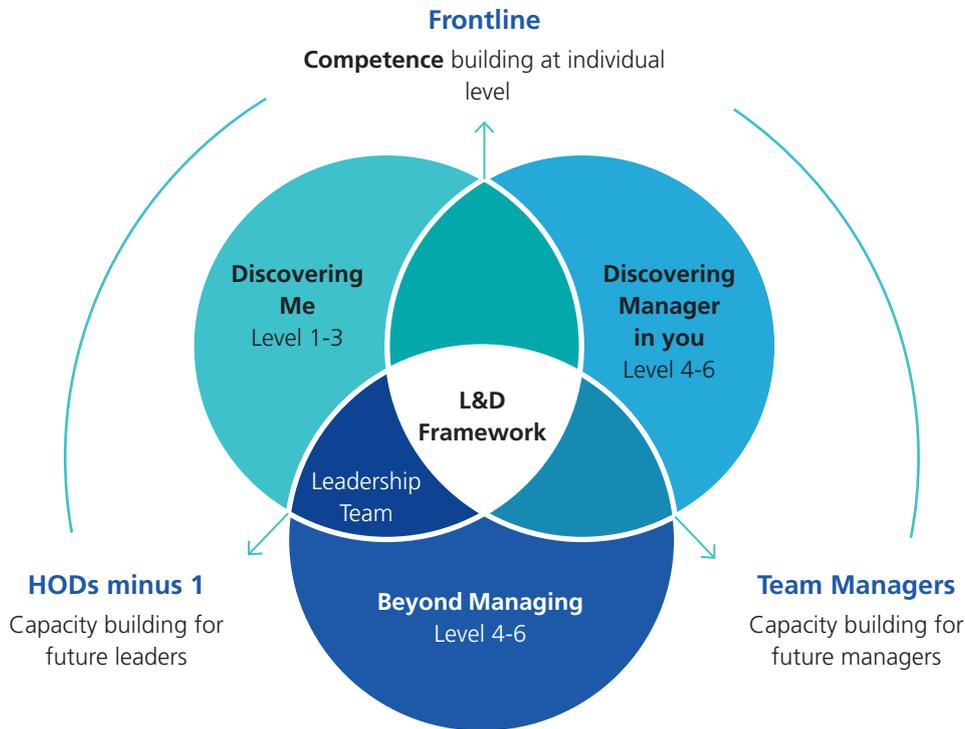
To encourage self-learning habit for growth and development, we have transformed mandatory trainings into e-Learning modules and uploaded on LMS. This enables everyone to conveniently access and complete modules within designated timeframe. The modules cover four topics – Prevention of Sexual Harassment, Code of Conduct, Information Security Management and Anti Money Laundering.

### Sensitization and inclusion workshop

We conducted a workshop specially designed for the senior leadership team to promote diversity, quality and inclusion. The initiative aims to build stronger connect with employees and create inclusive workplace.

TRMs: We conducted a workshop for Group Relationship Managers to build leadership qualities. It covered the areas of effectively managing work, team management, adding value to clients, and encouraging and inspiring teams to achieve greater effectiveness.

**Our robust 3C L&D framework**



**Learning and development in FY 2022-23**

Trainings provided  
**86,508** hours

During FY 2022-23 the Company spent ₹ 4.15 million on external trainings of its employees including the amount spent on National Institute of Securities Markets (NISM) certification.

**Ensuring an engaged workforce**

At Kfintech, we firmly believe engaged employees are inspired to take accountability for their work, and even go that extra mile to deliver exceptional performance. During the year, we undertook various engagement programs aimed at fostering a sense of belongingness among our employees.

We conducted various monthly events to connect with employees in a fun and light-hearted manner while keeping them updated about business. These included festivals and occasions such as Independence Day, Dusshera and Diwali.

The objective was to foster bonding among employees, enhance engagement, and create a positive work environment. Utsav, annual day celebrations, was conducted to conclude the year on a lighter note, and recognize employees for their achievements and commitments. We have various committees like CSR committee and others. to ensure employees are involved and empowered to be a part of these activities

**Flexible working**

Our business operations require adherence to specific processes, towards which we operate in various shifts to ensure uninterrupted workflow and maintain client satisfaction. We offer employees the flexibility to choose their preferred shift and also provide the option to work from the office or remotely, giving them a sense of autonomy.

**Rewards and recognitions**

To achieve value-driven and appreciation-led culture in the organization, we have implemented various rewards



and recognition program. These initiatives ensure timely and fair recognition of employee efforts. We distribute awards quarterly to ensure that all levels and grades are covered. Further, employees are encouraged to nominate an inspirational leader and a role model through a bottom-up approach. Rubaroo Award and Longevity Award are in place to felicitate respective employees completing 35 years and 25 years and beyond with our company. A total of 925 employees were awarded through the year for their performance, including 125 employees who were felicitated with the Longevity Award and 118 employees who were felicitated with the Rubaroo Award.

### Supporting new employee

We place emphasis on assisting all new joining employees in acclimating to the organization. An orientation program is conducted to familiarize them with our people practices. This includes explaining HR policies, inducting them to People Strong (our HRIS portal), providing information on HR Service desk, and undertaking different engagement activities, etc. We have a 60-day plan specifically for employees shifting from other organizations, ensuring a smooth cultural shift.

We also organize monthly Leadership Connects allowing leaders and their new colleagues to know each other. Through

the connect, the HOD addresses the new joiners and share experiences in the organization.

### Synergy #TogetherTowardsTomorrow

This program facilitates interaction between department heads and employees, to discuss achievements, challenges, business updates, way forward for the unit and also give HR updates. Star performers are also recognized with SPOT Awards.

### SKIP Level Meetings

We conduct regular skip meetings to gauge employee sentiments and address their issues of dissatisfaction. Through this meeting, they are updated on various organizational matters, along with taking their suggestions and implementing wherever possible. This helps in creating a stronger bond with employees.

### Employee Surveys

To continuously improve and gauge the effectiveness of our initiatives, we conducted various surveys to gather feedback and suggestions. These surveys include the 7-30-60 Day Feedback and Pulse Surveys (known as the Power of 3). These surveys allow us to stay updated and upgrade ourselves based on the feedback received from employees.

## Power of 3 Mood-o-Meter survey results

People trained

# 4 out of 5

Average rating for wellness activities

# 4.10 out of 5

Employees able to take time and attend activities

# 79%

Respondents benefited from YourDost platform

# 96%

## Abiding by global human rights guidelines

We consider the protection of human rights as one of the most important duties of a corporate company and believe in the power of business in long term protection of human rights. We strive to promote and protect human rights in our workspace by abiding to the guiding principles set forth by the United Nations Guiding Principles on Business and Human Rights (**UN Guiding Principles**). We respect, integrate and uphold the human right guidelines put forth by Universal Declaration of Human Rights (**UDHR**) and the International Labour Organisation's Declaration on Fundamental Principles and Rights to Work (**ILO Declaration**) in addition to complying with all applicable local and national laws and regulations.

## Enabling an inclusive and diverse workplace

We are an equal opportunity employer and do not support discrimination in any form including during selecting applicants for all positions. We are committed to creating a dynamic work environment that values diversity and inclusion, respect and integrity, customer focus, and innovation. To ensure fairness and address any concerns, we have established a Grievance Policy and a Grievance Redressal Committee, consisting of senior leaders who are accessible to employees who may experience unfair treatment. Additionally, we have partnered with Convercent to implement an online grievance redressal tool, making it easier for employees to seek resolution.

We believe in promoting equitable representation of people of different genders within the organization. It is not solely about achieving a right mix of males and females, but also about creating a safe and supportive environment for all employees. We have implemented a robust harassment policy and provide support to all employees in maintaining healthy professional and personal life balance. Our flexible practises are designed

to ensure that work for them is comfortable and doable and not burden.

Promoting diversity, quality and inclusion is a key focus area, and we actively conduct various workshops and employ hiring strategies that support these. We encourage recruiting differently abled employees across levels based on their competencies and skill sets. Benefits like Paternity leave, Adoption leave, Bereavement leave, Sabbatical leave are also in place to support our employees. We also offer ongoing workshops on sensitization and inclusion to educate the employees and encourage a culture of understanding and respect. A conscious effort is being made to infuse women for the leadership roles. As of March 31, 2023, we have a total of 1,248 female employees of which 36 are in leadership roles.

We have undertaken various measures to support working mothers in balancing work and taking care of their children. We have tied-up with KLAY Prepschools and Daycare to help new mothers work carefree and maximize their potential while working. A Re-bond program (a program for returning moms) is in place to support new mothers settle down in their new routine. This is enabled through various initiatives like work from home, staggered working hours, flexible shift timings and arrangement of refresher training courses. Since the launch in January 2022, 57 mothers have benefited from this.

Our sustained efforts have improved women diversity across all levels, and it stood at 24% as on March 31, 2023. We are committed to increase this to 26% in FY 2023-24.



**Thanks to the Re-Bond program, I was able to manage my work and infant much better. I appreciate your support. I'm thrilled to be employed at KFinTech."**

- Chandini Birkad, GBS



**I am thankful to HR team and this "Re-Bond" program that helps me with flexible and staggered working hours in balancing both my work and baby"**

- Paka Sandhya Rani, GFS



**"Re-Bond - Returning moms program because of this I am able to enjoy each and every day with my baby and as well as work life"**

- Ankita Soni, Corporate Registry



### Ensuring health, safety and well-being

Employee health and well-being is important to us. We have introduced practices to address four pillars of well-being: Physical, Emotional, Financial and Social. Financial well-being is ensured by making employees aware about the right investments, including NPS towards which we have contributed ₹500 for each employee. We also offer salary advance to support emergencies. Further, we have extended an insurance coverage to all our employees.

Social well-being is ensured by encouraging employees to connect with one another, including giving them tips to follow while interacting and having in place concepts like communication at work.

To support emotional well-being, we have implemented YourDost, a self-help tool. It enables employees to connect with certified counselors and psychologists for any assistance. Various other initiatives have also been undertaken including sessions on mental well-being topics, expressing oneself through art and work-life balance.

Physical well-being is ensured by conducting various health and wellness initiatives. We conducted eye and medical check-up camps, webinar to raise awareness about breast cancer / thyroid, and provided training on handling emergencies. We also emphasized the importance of building wellness habits.

Corporate social responsibility

# Ensuring growth of the communities

We are committed to co-existing with communities and fostering sustainable development. Our CSR activities are aimed at driving social, economic and environmental growth, aligned with 17 Sustainable Development Goals of the United Nations. We believe in the power of youth and actively support them in education, innovation, technical skills, and financial literacy and engage them in projects for affordable and clean energy and building sustainable cities and communities.



## Transforming education and empowering students

We collaborated with Telangana Tribal Welfare Residential School in Jinnaram to enhance quality of education and facilitate higher education opportunities. Through the 5-year association, several initiatives were undertaken to transform school and education system including:

## Improving school infrastructure

We undertook a project to reduce dust in school. Classrooms were redesigned and upgraded with digital boards, and a few were converted into smart classrooms. We also set up a computer lab with internet access. To ensure a healthy environment, we installed RO system and added greenery to the premises.

## Promoting quality education and skill development

To encourage learning, we granted scholarships to nine students pursuing specialized courses and merit-based scholarships to several others from 8<sup>th</sup> grade to 12<sup>th</sup> grade. We also provided sports equipment to ensure holistic development and mental well-being of children alongside nurturing passion for sports. A total of ₹ 2.20 million was spent for sports equipment and merit scholarships.

Considering the significance of IT education, we helped conduct computer training classes, which covered MS Excel. Our team members also shared insights on various career paths in IT, and emphasized its importance in the modern world. Furthermore, sessions on personality development, communication skills and skill development (by Kfintech employees) were arranged to enhance students' career prospects.

## Supporting fine arts education

We adopted Telangana Tribal Welfare Residential Degree College for Women Fine Arts College Siricilla for five years. Through the association, a total of ₹15.88 million was spent in procuring special equipment required for fashion designing, photography and interior designing courses, empowering the girl students to excel in the field of fine arts. These included:

- Fashion designing fabric and machines
- Plotter machines, color printer, portfolio bags and office furniture
- Photography equipment
- Books on Fashion & Photography and Interior Design
- Laptops, CCTV solution, book shelves, air conditioner, interlock tile flooring, water dispenser, signage board, fire extinguisher and steel book racks

## Bringing home laurel

Kfintech initiative of providing state-of-the-art cameras and photography equipment to Fine Arts College, Siricilla, allowed the girls to cover the prestigious BIO ME International Conference. One student emerged as the winner, while another received a consolation prize in an esteemed all-India photography competition.



## Restoring biodiversity

We have partnered with The Nature Conservancy Centre (TNC) with the goal of restoring 500 hectares of habitat in the buffer areas of the Satpura Tiger Reserve by March 31, 2024. Towards this, we have allocated ₹1.16 million to undertake four critical pillars:

- Restoration of grasses and other forage species to increase food availability for herbivores
- Improving participatory planning for villages in fringe areas for local-scale micro plans
- Support grassroots innovations that solve local problems, leading to their subsequent incubation into micro-enterprises
- Capacity building of communities and frontline governmental staff in restoration principles and participatory resource management

## Ensuring health and hygiene

We funded ₹1.02 million for installation of sanitary vending machines and incinerators across 15 undergraduate colleges for girls across Telangana. The initiatives would help ensure proper hygiene and sanitization of girls by protecting from infectious disease and prevention of transmissible diseases.

## Key performance indicators

# Delivering stable growth and rewarding shareholders

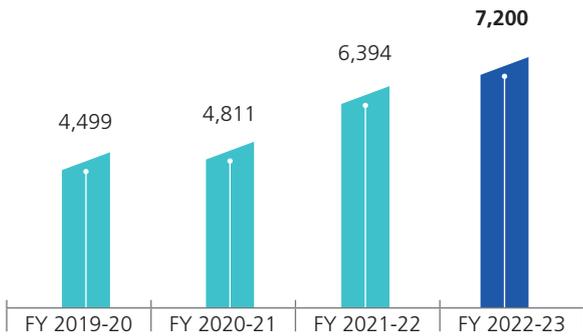
We have a solid track record of delivering consistent and profitable growth led by our sustained ability to maintain and grow clients, add new revenue streams and ensure ongoing operational optimization. We continue to build on these, while leveraging our asset-light model advantage to deliver sustainable long-term growth.

## Financial metrics

### Revenue from operations

(₹ million)

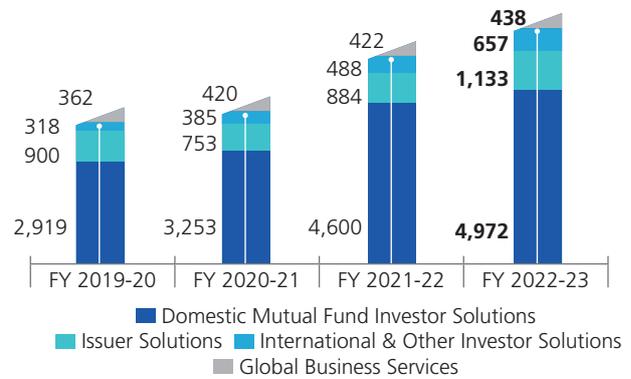
#### Total



⬆️ **16.97%**  
3-year CAGR

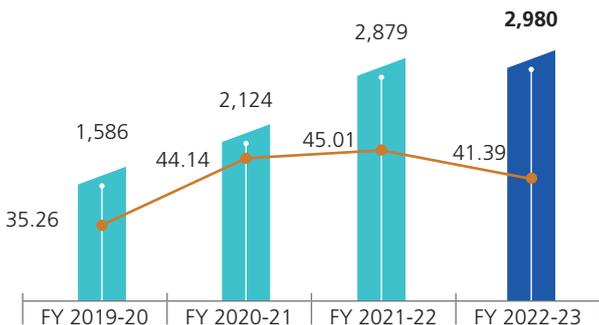
⬆️ **12.59%**  
Y-o-Y

#### Break-up



### EBITDA & EBITDA margin

(₹ million)

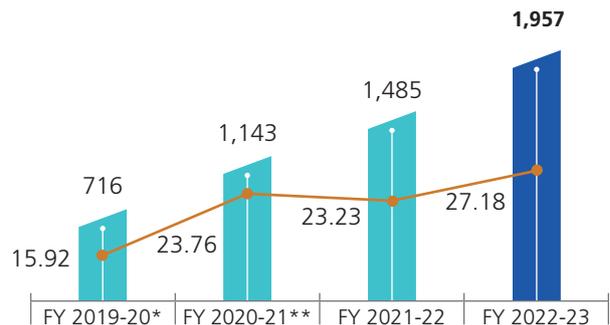


⬆️ **23.39%**  
3-year CAGR

⬆️ **3.54%**  
Y-o-Y

### PAT & PAT margin

(₹ million)



⬆️ **39.81%**  
3-year CAGR

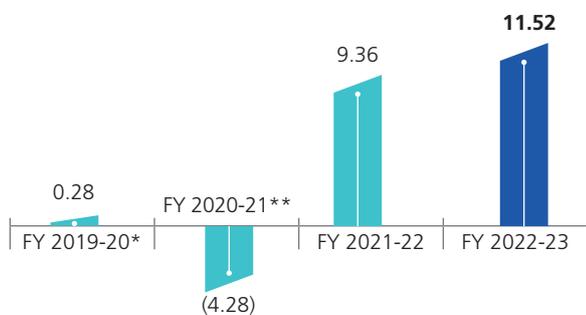
⬆️ **31.77%**  
Y-o-Y

\*Adjusted for goodwill amortization

\*\*Adjusted for goodwill amortization and impact of change in Finance Act, 2021

## Diluted Earnings per share

(₹)



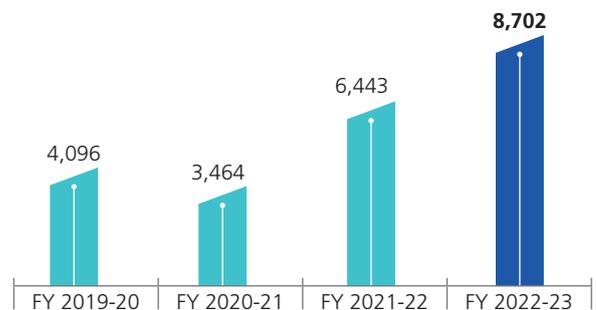
⬆️ **23.08%**  
Y-o-Y

\*Diluted EPS include charge for goodwill amortization of ₹ 671.06 million

\*\*Diluted EPS include charge for goodwill amortization of ₹ 669.22 million and impact of change in Finance Act 2021 of ₹ 1,119.24 million

## Net worth

(₹ million)



⬆️ **28.56%**  
3-year CAGR

⬆️ **35.06%**  
Y-o-Y

**25.85%**  
ROE for FY 2022-23

## No. of clients / subscribers

	FY 2020-21	FY 2021-22	FY 2022-23
Domestic MF (no. of clients) <i>Including clients merged on account of merger and acquisition</i>	25	24	23*
Issuer solutions (no. of clients)	4,413	4,770	5,363
International investor solutions (no. of clients)	19	32	41
AIF and wealth management (no. of funds)	240	268	411
Pension services (no. of subscribers)	361,152	747,576	956,823

\*Three additional clients are yet to start operations

## Business metrics

	UOM	FY 2020-21	FY 2021-22	FY 2022-23
Domestic MF overall AAUM	₹ billion	9,105	11,970	12,804
Domestic MF overall AAUM market share	%	28%	31%	32%
Domestic MF Equity AAUM	₹ billion	4,471	6,447	7,005
Domestic MF Equity AAUM market share	%	34%	35%	35%
Equity AAUM Mix	%	49.10%	53.86%	54.71%
MF folios	In million	89	108	119
SIP inflows	₹ billion	381	529	652
Domestic SIP book AAUM	₹ billion	1,207	1,773	2,118
No. of transactions	In million	180	275	303
NSE 500 companies market share in Issuer solutions	% as per market capitalization	44%	45%	47%
No. of folios in Issuer solutions	In million	75	103	110
International investor solutions AAUM	₹ billion	614	634	545
AIF and wealth management AAUM	₹ billion	358	505	615
AIF market share	% based on no. of funds registered with SEBI	33%	30%	37%
Pension services AAUM	₹ billion	31	211	295
Market share	% based on no. of subscribers	4%	6%	7%

AAUM represent end of period, except for domestic MF which represents average of last quarter of the period

# Board of Directors

Steering our excellence and governance practices



**Vishwanathan Mavila Nair**  
Chairperson and Non-Executive Director



**Sreekanth Nadella**  
Managing Director and CEO



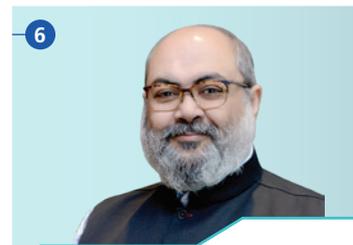
**Sandeep Achyut Naik**  
Non-Executive Nominee Director  
(till July 25, 2023)



**Shantanu Rastogi**  
Non-Executive Nominee Director



**Srinivas Peddada**  
Non-Executive Nominee Director



**Alok Chandra Misra**  
Additional Director (Non-Executive,  
Nominee) w.e.f. July 28, 2023



**Jaideep Hansraj**  
Non-Executive Nominee Director



**Prashant Saran**  
Independent Director



**Sonu Halan Bhasin**  
Independent Director



**Kaushik Mazumdar**  
Independent Director

**1 Vishwanathan Mavila Nair**

Chairperson and Non-Executive Director

**He** is the Chairperson and Non-Executive Director of our Company. He has been associated with our Company since November 22, 2018. He holds a bachelor's degree in science from University of Mysore. He has 48 years of experience in financial services industry. He has previously served as the non-executive Chairman of TransUnion CIBIL Limited and non-executive Chairman of SWIFT India Domestic Services Private Limited, an independent director on the board of directors of Gujarat International Finance Tec-City (GIFT City), Stock Holding Corporation of India Limited and Encore Asset Reconstruction Company Private Limited, as the chairman and managing director of Union Bank of India, and as the chairman and managing director of Dena Bank. He is a senior advisor of New Street Technologies Private Limited and Progcap (Desiderata Impact Ventures Private Limited) and is engaged as a consultant by Trans Union LLC, USA and Perfios Software Solutions Private Limited. He is a non-executive chairman of the board of directors of BQ Digital Learning Private Limited. He was also associated with the Indian Banks' Association as their chairman. He was the chairman of the committee constituted to re-examine the existing classification and suggest revised guidelines with regard to priority sector lending and related issues by the Reserve Bank of India.

**2 Sreekanth Nadella**

Managing Director and CEO

**He** is a Managing Director and CEO of our Company. He has been associated with our Company since June 28, 2018. He holds a bachelor's degree in commerce from Osmania University and is an associate member of the Institute of Chartered Accountants of India. He has over 20 years of experience and was previously associated with Accenture Services Private Limited as managing director, IBM Global Services India Private Limited as transformation manager, Capita Offshore Services Private Limited as transition manager, Callhealth Services Private Limited as chief operating officer and Indian School of Business as their finance manager.

**3 Sandeep Achyut Naik**

Non-Executive Nominee Director (till July 25, 2023)

**He** was associated with our Company since November 16, 2018 till July 25, 2023. He holds a bachelor's degree in engineering (instrumentation engineering) from Vivekanand Education Society's Institute of Technology, University of Bombay, and a master's degree in science (biomedical engineering) from School of Engineering, Virginia Commonwealth University, Virginia and a master's degree in business administration from the Wharton School, University of Pennsylvania. He has over 16 years of experience in operations in India and Asia Pacific. He is the managing director and head of General Atlantic's business in India and Asia Pacific and is also a member of the management committee of General Atlantic. He was selected as a Young

Global Leader by World Economic Forum in 2010 and is currently a member of the alumni community of 'The Forum of Young Global Leaders'. Previously, he served as a partner, co-head for India, for India Advisers Private Limited and as a principal at Apax Partners, L.P. Prior to joining Apax Partners, he worked at Medtronic Inc. and a summer associate with McKinsey & Company, Inc., United States.

**4 Shantanu Rastogi**

Non-Executive Nominee Director

**He** is a Non-Executive Nominee Director of our Company. He has been associated with our Company since November 16, 2018. He holds a bachelor's degree and a master's degree in technology (electrical engineering) from the Indian Institute of Technology, Mumbai and also master's degree in business administration from the Wharton School, University of Pennsylvania. He has over 17 years of experience in financial services, technology, healthcare and consumer sectors in India and Asia-Pacific region. He is currently serving as the managing director at General Atlantic Private Limited. He joined General Atlantic Private Limited in 2013 and has previously also worked as an associate with General Atlantic Private Limited from 2005 to 2007. Prior to joining General Atlantic Private Limited, he served as a principal at Apax Partners India Advisers Private Limited and as a junior associate at McKinsey & Company, Inc.

**5 Srinivas Peddada**

Non-Executive Nominee Director

**He** is a Non-Executive Director of our Company. He has been associated with our Company since July 7, 2020. He holds a bachelor's degree in technology (mechanical engineering) from J.N.T.U College of Engineering, Jawaharlal Nehru Technological University, Andhra Pradesh, a master's degree in engineering from the Birla Institute of Technology and Science, Pilani, Rajasthan and a master's degree in business administration from Rensselaer Polytechnic Institute, Troy, New York. He is a certified IBM IT architect professional and a certified project management professional from Project Management Institute, Pennsylvania. He has over 15 years of experience in information and technology. He was previously associated as a chief technology officer (level 10) with Dun & Bradstreet Predictive Sciences & Analytical Private Limited, as a chief information officer with Dun & Bradstreet South Asia Middle East Limited, as a chief information officer with Bharat Financial Inclusion Limited (formerly known as IndusInd Financial Inclusion Limited), as an information technology specialist at IBM Corporation, as a chief technology officer at AIG Systems Solutions (Private) Limited, USA, as senior vice president – information technology (head – IT) at SKS Microfinance Limited and as a vice president (information technology) at GE Countrywide Consumer Financial Services Limited. He is also a member of board of governors of Indian Institute of Information Technology Sri City, Chittoor (an institute of national importance set up under an act of parliament).

**6 Alok Chandra Misra**

Additional Director (Non-Executive, Nominee) w.e.f.  
July 28, 2023

**He** is an Additional Director (Non-Executive, Nominee) of our Company. He has been associated with our Company since July 28, 2023. He is the Chief Operating Officer of General Atlantic's India office and an Operating Partner. In this role, he provides strategic support and financial expertise to the firm's investment teams and portfolio Companies with a focus on the India & Asia-Pacific region. Before joining General Atlantic in 2013, Alok served as Group Chief Financial Officer at WNS Group, where he helped lead the Company through significant expansion and transformation. Prior to that, he was Group Chief Financial Officer of Mphasis BFL Group (now part of the Hewlett-Packard Company) and served in a number of accounting and finance roles at other firms, including I.T.C. Limited and PwC. He is a fellow member of the Institute of Chartered Accountants of India.

**7 Jaideep Hansraj**

Non-Executive Nominee Director

**He** is a Non-Executive Nominee Director of our Company. He has been associated with our Company since November 10, 2021. He has attended a three-year bachelor's course in commerce (honours) from University of Calcutta. He has over 28 years of experience in retail operations in the banking and securities sectors. He is associated as chief executive officer and managing director with Kotak Securities Limited. He was previously associated with Kotak Mahindra Bank Limited.

**8 Prashant Saran**

Independent Director

**He** is an Independent Director of our Company. He has been associated with our Company since May 26, 2020. He holds a master's degree in science (honours) in physics from Panjab University, and has over 34 years of experience in regulatory and other functions. He has previously served as a whole-time member of SEBI from May 2009 to May 2012 and again from August 2012 to June 2016 and as a chief general manager in charge at Reserve Bank of India.

**9 Sonu Halan Bhasin**

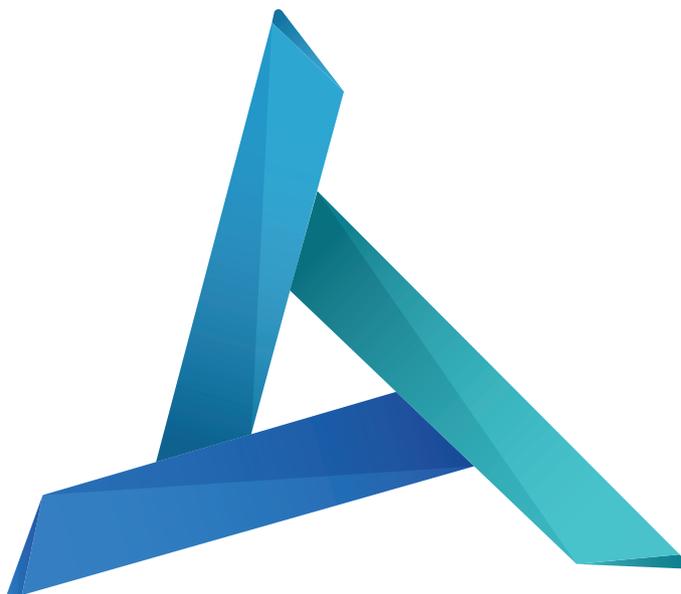
Independent Director

**She** is an Independent Director of our Company. She has been associated with our Company since November 16, 2018. She holds a bachelor's degree in science (honours) in mathematics and a master's degree in business administration from University of Delhi. She has 20 years of experience in financial and non-financial sector organizations. She was previously associated with Tata Administrative Service (TAS) and served in various leadership roles within the Tata Group from 1987 till 2000. She has also served as a president at Axis Bank Limited, group president at Yes Bank Limited and chief operating officer (travel, forex and cards, e-nxt and private banking) at Tata Capital Limited.

**10 Kaushik Mazumdar**

Independent Director

**He** is an Independent Director of our Company. He has been associated with our Company since November 16, 2018. He holds a bachelor's degree in commerce from Narsee Monjee College of Commerce and Economics, University of Bombay and a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad. He is a fellow member of the Institute of Chartered Accountants of India. He has over 30 years of experience in banking, finance, operations and technology, mergers and acquisitions, investment advisory and transformation projects, with a focus on technology, strategy and execution, relating to sectors such as financial services and payments. He served as the general manager (operation and technology group head) at Samba Financial Group, as vice president at General Atlantic Private Limited and as the senior vice president at Citibank NA, India. He was also a director of IncValue Advisors Private Limited and founder, promoter and executive director at Svakarma Finance Private Limited.



# Leadership team

Dynamic leadership driving our success



**Vivek Narayan Mathur**  
Chief Financial Officer  
Years of experience: 26+



**Kiran Aidhi**  
Chief People Officer  
Years of experience: 19+



**Gopala Krishnan Giridhar**  
Chief Business Officer -  
Corporate Registry  
Years of experience: 25+



**Senthil Gunasekaran**  
Chief Business  
Development Officer  
Years of experience: 18+



**Quah Meng Kee**  
Regional Head - South East Asia  
Years of experience: 8+



**Venkata Giri Vonkayala**  
Chief Technology Officer  
Years of experience: 31+



**Mario Sylvester Roche**  
Chief Operating Officer – Domestic  
Fund Services  
Years of experience: 18+



**Rajeev Hanmantrao Mane**  
Chief Operating Officer –  
International and Other Business  
Years of experience: 30+



**Meena Prashant Pednekar**  
Chief Operating Officer –  
Issuer Services  
Years of experience: 30+



**Praveen Shankaran**  
Chief Risk Officer  
Years of experience: 17+



**Sourav Mukherjee**  
Head – PMD & FMS  
Years of experience: 20+



**Hanisha Vadlamani**  
Chief Branding Officer  
Years of experience: 8+



**Alpana Uttam Kundu**  
Company Secretary and  
Compliance Officer  
Years of experience: 10+

# Management Discussion & Analysis

## Global Economic Overview

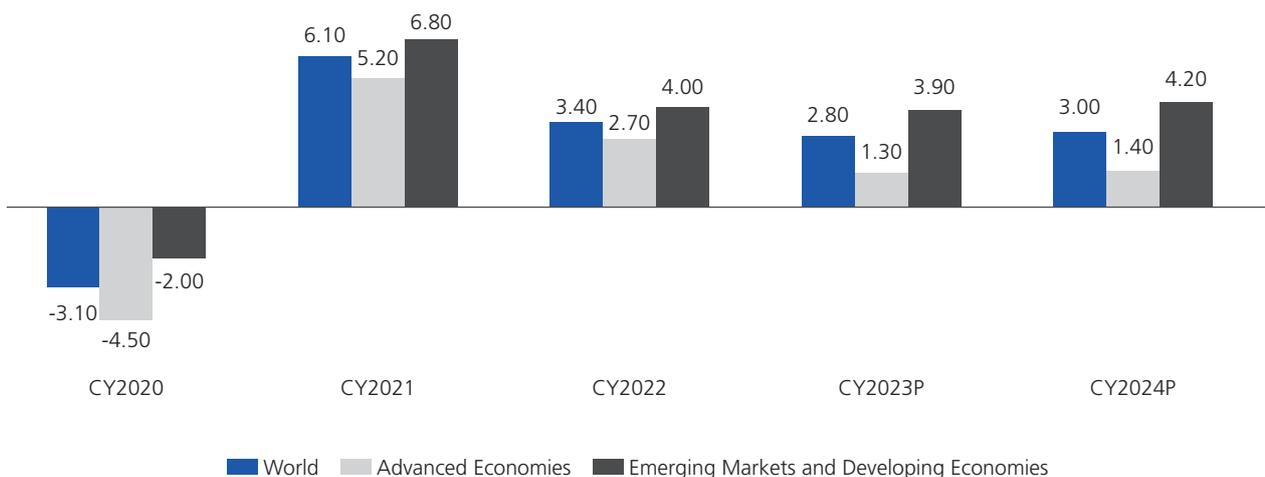
The global economy continued its recovery from the impact of geopolitical tensions and the COVID-19 pandemic in 2022. The steep increase in commodity prices that followed Russia's invasion of Ukraine has moderated, but the conflict continued and the geopolitical tensions remained elevated. COVID-19 strains caused extensive outbreaks, but economies that were severely affected, notably China, appeared to be recovering, thereby reducing supply-chain disruptions. Despite the benefits of lower food and energy costs and enhanced supply-chain functioning, risks are increasing as a result of the current financial sector volatility. The global economy is expected to grow by 2.80% in CY2023 and 3.00% in CY2024, as against the 3.40% growth recorded in CY2022.\*

The financial instability of the gilt market in the United Kingdom and the recent failure of a few regional banks in the United States demonstrate that both banks and non-bank financial institutions are vulnerable. In both cases, authorities acted

promptly and decisively and have so far succeeded in containing the financial crisis. The advanced economies are anticipated to experience GDP growth rates of 1.30% in 2023 and 1.40% in 2024, compared to 2.70% in 2022. Financial institutions with high debt, credit risk, or interest rate exposure, an overreliance on short-term finance, or locations with limited fiscal space may encounter difficulties in the future. An abrupt tightening of global financial conditions could have a significant impact on credit conditions and public finances, as well as significant declines in global activity as a result of decreased confidence, household expenditure, and investment.

It is anticipated that emerging markets and developing economies, which grew by 4.00% in 2022, will continue to witness growth of 3.90% in 2023 and 4.20% in 2024. Going forward, the emerging markets are expected to outperform the global markets due to strong regional growth estimates and powerful economic development in India, China, and other ASEAN nations.

## World Economic Growth (%)



P: Projected, \*Source: International Monetary Fund (IMF) April 2023 report

## Indian Economy Overview

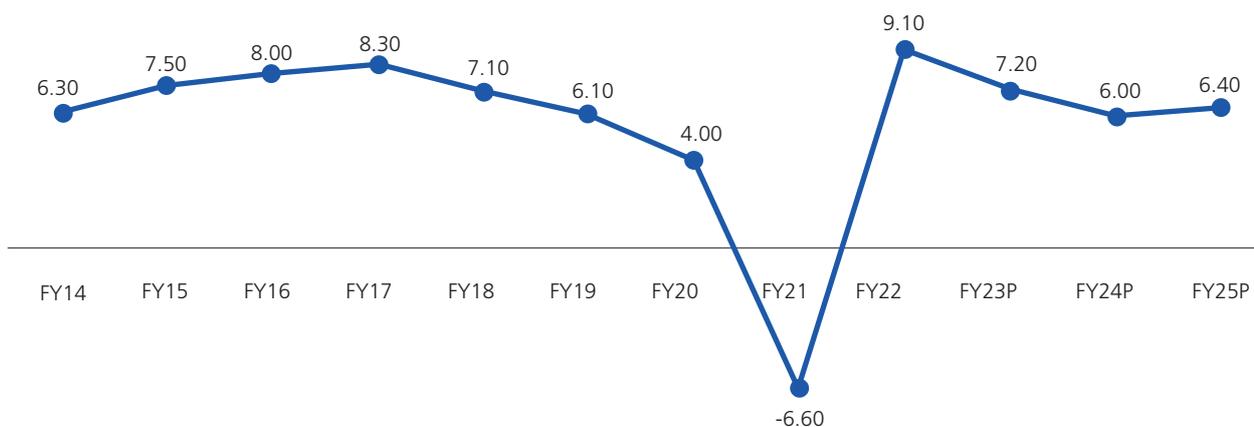
The economy of India has been expanding on a constant basis, and at a rate that is far higher than the economic growth of the majority of other countries. The growth has been sustained by strong private consumption amid pent-up demand, a rapid recovery in contact-intensive service industries, and the government's ongoing focus on capital expenditure. However,

persistently rising inflationary pressures and predictions of higher interest rates for a longer period of time might weigh on the global economy, pulling down India's economic trajectory. Hence, India's GDP, which grew by 9.10% in FY 2021-22 is expected to grow by 7.20% in FY 2022-23, according to the NSO's (National Statistical Office) second advance estimates.

In addition, the RBI SPF (Survey of Professional Forecasters) report predicts that the GDP will grow by 6.00% in FY 2023-24 and 6.40% in FY 2024-25. In March 2023, the total CPI (Consumer Price Index) inflation rate declined to 5.66%, down from 6.95% in March 2022. The RBI projects a decline in consumer inflation to 5.00% in FY 2023-24 and then 4.90% in FY 2024-25.

A well-capitalized banking sector with low non-performing assets enables the financial sector to fuel India's economic growth and accelerated digitalization provides citizens with greater access to opportunities, reduces loopholes through targeted delivery of services, and provides a platform for innovation.

### Indian GDP Growth (%)



Source: NSO's Second Advanced Estimates dated May 31, 2023  
RBI SPF report as on June 2023, MPC report for June 2023

## Industry Overview

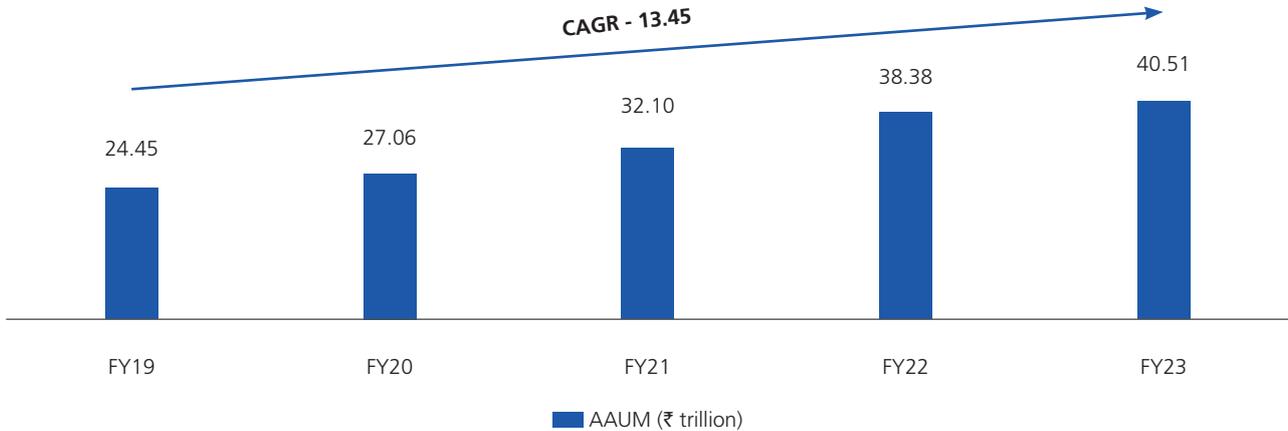
### Indian Financial Services Industry Overview

According to SEBI, a number of organizations are recognized as market infrastructure institutions (MII) and intermediaries, which perform a variety of activities to facilitate the seamless operation of capital markets. The Securities and Exchange Board of India (SEBI) has classified stock exchanges, clearing corporations, and depositories as 'systemically essential institutions' because they provide, among other things, the infrastructure necessary for the seamless and uninterrupted operation of the securities market. In addition, SEBI has classified numerous other entities as intermediaries. Each market intermediary executes its function in a transaction in accordance with the rules established by SEBI to facilitate the execution and transmission of funds. These independent intermediaries establish an ecosystem in which the financial market exists and play a prominent role due to their technological expertise, infrastructure, size, and track record. These intermediaries include various types of funds, asset managers, distributors, brokers, and advisors who market their products and services to end-investors, as well as intermediaries like registrars and transfer agents, fund accounting firms and fund administrators who provide the aforementioned entities with a variety of products and services.

### Mutual Fund Industry Overview

A growing investor base has contributed to the robust growth of mutual fund assets in India, especially in recent years. This is due to increasing penetration across geographies, strong growth in capital markets, technological progress, and regulatory efforts aimed at making mutual fund products more transparent and investor-friendly. Equity mutual funds have been the most preferred investment mechanisms for investors in this volatile market scenario. The average assets under management (AAUM based on the last quarter average of the period) by the Indian mutual fund industry increased by approximately 5.55% to ₹ 40.51 trillion in FY 2022-23 from ₹ 38.38 trillion in the previous year, FY 2021-22. Since FY 2018-19, the AAUM has grown at a CAGR of 13.45%. Healthy net inflows in equity MFs, supported by strong retail investor participation, have lifted the overall mutual fund market in India. With interest rates expected to rise from current levels, debt funds will witness continued outflows as investors churn their allocation between short and long-term funds. As the financial market remained volatile, retail investors seemed to be more attracted to mutual funds through systematic investment plans (SIPs) than direct equity investments.

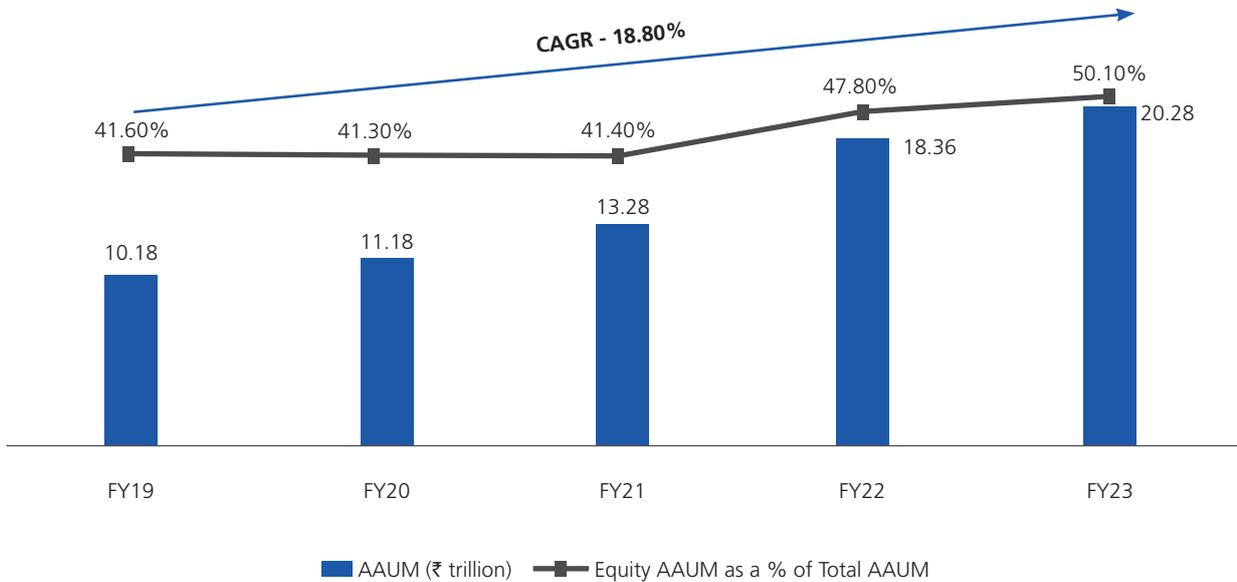
### Total Mutual Fund AAUM (₹ trillion)



Source: AMFI, AAUM represent average assets under management of the last quarter of the respective financial year

In FY 2022-23, the AAUM for equity, hybrid, and solution-oriented retail schemes surged from ₹ 18.36 trillion to ₹ 20.28 trillion, witnessing a growth rate of 10.46% and a CAGR of 18.80% over the period of FY 2018-19 to FY 2022-23. During the period, AAUM for debt-oriented programs totaled ₹ 20.23 trillion, as compared to ₹ 20.02 trillion in FY 2021-22. Over the years, the share of equity funds rose from 41.60% as of March 2019 to 47.80% as of March 2022 and further increased to 50.10% as of March 2023, led by a sharp rise in inflows through the SIP route and mark-to-market ("MTM") gains in the underlying stocks.

### Equity AAUM (₹ trillion)

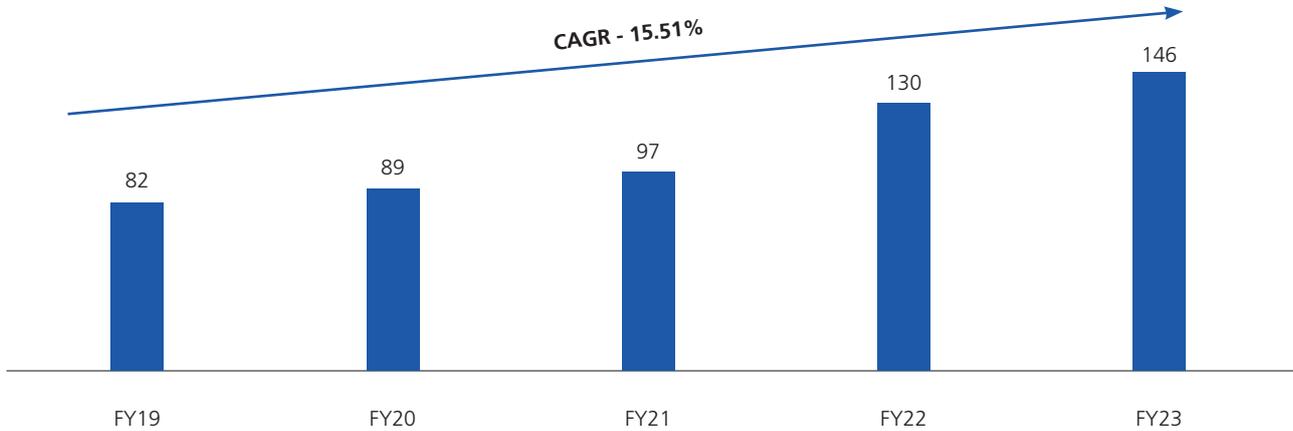


Source: AMFI, CRISIL MI&A

AAUM represent average assets under management of the last quarter of the respective financial year

The industry has seen increased participation from households in recent years, owing to growing awareness, financial inclusion, improved access to banking channels, and increased adoption of technology by non-bank distributors. Between March 2019 and March 2023, the industry's folios increased by approximately 63 million to 146 million, at a CAGR of 15.51%, driven almost entirely by individual investors, namely retail and HNIs.

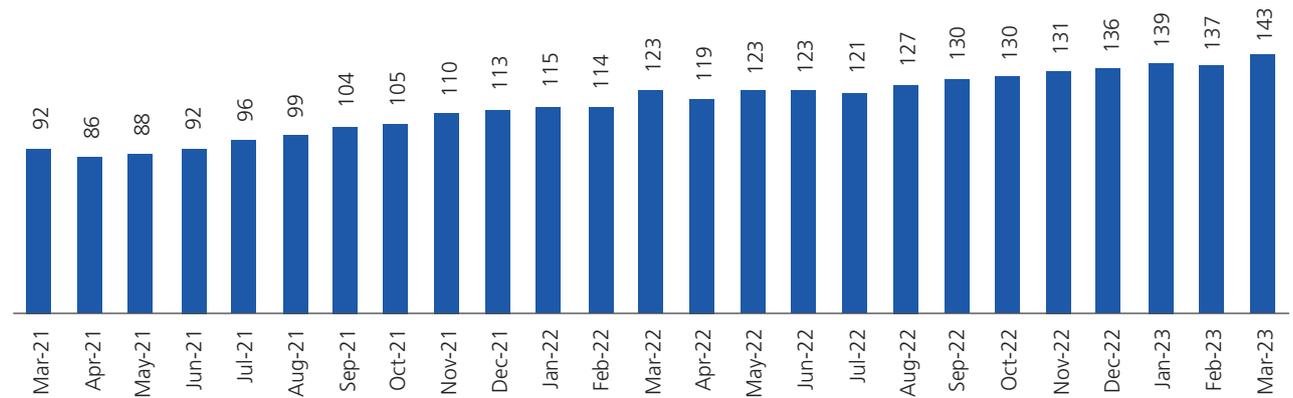
### Trend in individual investor folios (Million units)



Source: AMFI, CRISIL MI&A

SIPs are gaining popularity among Indian investors due to their ability to facilitate rupee cost averaging and disciplined investing without concern for market volatility or market timing. With benchmark indices remaining volatile and muted for the year, investors place their confidence in the Indian stock market by investing in mutual funds. The SIP inflows for FY 2022-23 totaled ₹ 1.56 trillion, a Y-o-Y (year over year) increase of 25.20%, with ₹ 142.76 billion in March 2023, representing the highest monthly inflow ever. The sustained rise in retail inflows into mutual funds via the SIP channel reflects the continued strength of indirect participation. Approximately, 63.60 million SIP accounts, as on March 31, 2023, are being used by investors to invest regularly in Indian mutual fund schemes.

### Monthly SIP Inflows (₹ in billion)



Source: AMFI

In the long-term, the overall industry's AUM is projected to sustain a growth trajectory of 14% CAGR up to FY 2026-27, driven by a pick-up in corporate earnings following India's economic growth, higher disposable income and investable household surplus, an increase in aggregate household and financial savings, deeper regional penetration as well as better awareness of mutual funds as long-term wealth creators, continuous improvement in ease of investing, and technological innovations and expanding internet footprints.

Source: AMFI, CRISIL MI&A

## Capital Market Overview

The capital market in India is well-developed and equivalent to international standards. The capital market segment has expanded substantially over the years, aided by consistent technological development and regulatory support. SEBI (Securities and

Exchange Board of India) has increased its efforts to educate investors and implemented a number of steps to strengthen investor protection. The recent transition to a T+1 settlement cycle for equities is a commendable accomplishment that places India ahead of other developed and emerging economies.

## Market Performance across Equity Indices

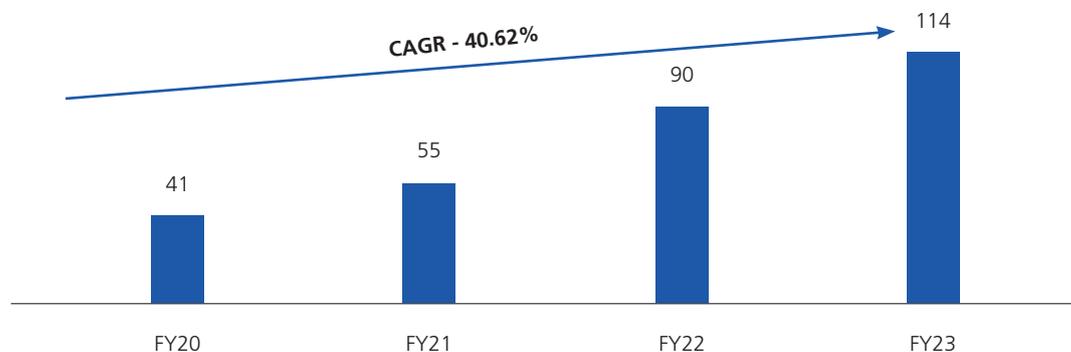
Indicator Name	March 2023	1M ago	3M ago	12M ago	1M (%)	3M (%)	6M (%)	12M (%)	YTD (%)
<b>Equity Indices</b>									
NIFTY 50	17,360	17,304	18,105	17,465	0.30	-4.10	1.60	-0.60	-4.10
NIFTY 500	14,558	14,519	15,449	14,895	0.30	-5.80	-1.80	-2.30	-5.80
MSCI INDIA	1,920	1,910	2,069	2,034	0.50	-7.20	-3.90	-5.60	-7.20
India Volatility Index (%)	13	14	15	21	-7.70	-13.00	-35.20	-37.10	-13.00
MSCI WORLD	2,791	2,715	2,603	3,053	2.80	7.30	17.40	-8.60	7.30
S&P 500 COMPOSITE	4,109	3,970	3,840	4,530	3.50	7.00	14.60	-9.30	7.00
DOW JONES INDUSTRIALS	33,274	32,657	33,147	34,678	1.90	0.40	15.80	-4.10	0.40
HANG SENG	20,400	19,786	19,781	21,997	3.10	3.10	18.50	-7.30	3.10
FTSE 100	7,632	7,876	7,452	7,516	-3.10	2.40	10.70	1.50	2.40
NIKKEI 225	28,041	27,446	26,095	27,821	2.20	7.50	8.10	0.80	7.50

Source: NSE Market Pulse April 2023

As a consequence of China's easing of restrictions and the subsequent economic recovery, Asian equities have posted gains, led by Taiwan, Singapore, and South Korea. Since March 2022, the Hang Seng Index (Hong Kong) has decreased by 7.30%, while the Nikkei 225 Index (Japan) has shown moderate growth of 0.80%. The Nifty 50 Index and Nifty 500 Index declined by 0.60% and 2.30%, respectively, during FY 2022-23. The Nifty Midcap 50 Index increased by 4.50% while the Nifty Small Cap 50 Index declined by 13.80% during the year under review. Despite robust domestic participation, foreign institutional investors (FIIs) sought investment opportunities in the other global markets in FY 2022-23, net FII outflows totalled USD 5.10 billion, which

was substantially less than the record USD 18.50 billion in FY 2021-22. Since March 2021, DIIs have continued to be significant buyers of Indian stocks. This trend persisted in FY 2022-23, with net inflows of DIIs reaching ₹ 2.60 trillion, up from ₹ 2.10 trillion in the preceding fiscal year. As a growing proportion of young people sought investment opportunities, the number of demat accounts increased sharply during the year. During FY 2022-23, an average of slightly more than 2 million demat accounts were added every month, for a total of 24.80 million. India had a total of 114.46 million demat accounts as of the end of FY 2022-23, registering a CAGR of 40.62% over the last three years.

## Demat Accounts (in million)



Source: SEBI

India's primary equity market witnessed record-breaking IPO issuances in FY 2021-22 despite multiple pandemic surges. The surge was driven by investments in a number of tech firms focused on growth. SEBI has relaxed the eligibility and listing criteria for the Innovators Growth Platform (IGP), a dedicated exchange platform for emerging start-ups, in order to promote the listing of such ventures. Increased retail participation and optimistic market sentiment were also significant contributors. In FY 2021-22, the Indian equity market raised a total of ₹ 1.10 trillion through the listing of 120 IPOs. As of the beginning of FY 2022-23, there had been a significant decrease in resources raised through IPOs compared to the previous year. According to SEBI data, a total of ₹ 0.52 trillion has been raised in FY 2022-23. This decline has been caused by numerous variables, including economic stagnation, geopolitical unpredictability, tightening financing conditions, and high inflation.

India's favorable demographic profile, rise in financial savings, increasing awareness about capital markets among the population, regulatory support towards digital adoption and rise in share of discount brokers to aid growth in demat accounts and retail investor folios in the capital market.

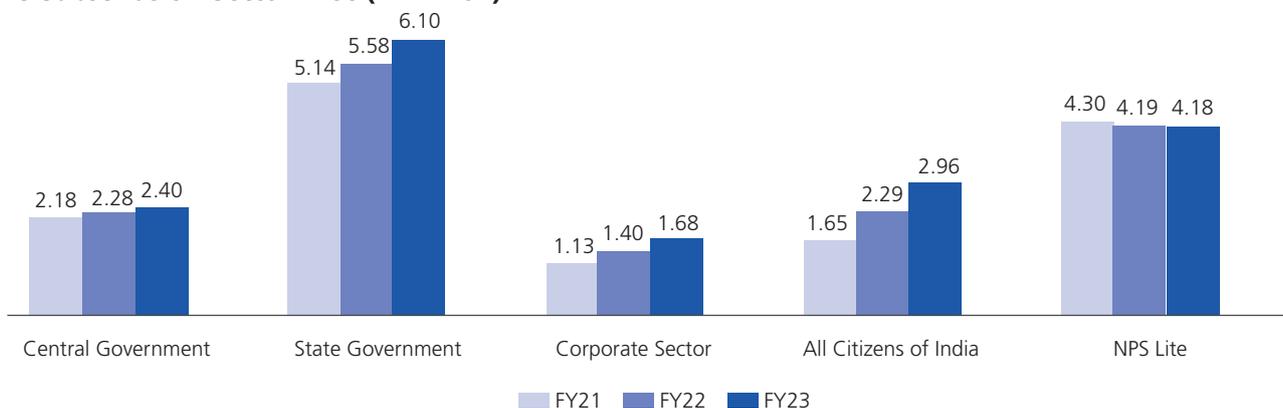
Source: CareEdge

### National Pension Scheme (NPS) Industry Overview

NPS is a retirement benefit scheme introduced by the Government of India to facilitate income post-retirement for all subscribers and is governed by the Pension Fund Regulatory

and Development Authority of India (PFRDA). The scheme was initially launched only for government employees but was later opened to all sections of the economy. This scheme also provides tax benefits, wherein the subscribers get an additional deduction of up to ₹ 50,000 over and above the section 80C limit of ₹150,000. The total number of subscribers under NPS stood at 17.30 million as of March 31, 2023 as compared to 15.74 million recorded as of March 31, 2022. As of March 31, 2023, the total assets under management by the National Pension System amounted to ₹ 8.71 trillion as compared to ₹ 7.16 trillion recorded as on March 31, 2022. State Government sector occupied the largest share of the NPS subscribers pie, occupying 35.22% of the total NPS subscriber base. Over the past three years, NPS has seen strong growth in number of subscribers under the "All Citizen" model, meant for citizens other than Central and State government employees, more than tripled from 0.92 million at end of March 2019 to 2.96 million as of March 2023. The Central government NPS subscriber base grew by 4.90% Y-o-Y, the State government by 9.30% Y-o-Y, the All-Citizen model by 29% Y-o-Y, the corporate sector by 19.7% Y-o-Y, while NPS Lite declined by 0.30% Y-o-Y. The formalization of the economy would be a significant growth driver for the retirement fund industry since it would bring individuals into the mainstream segment of the financial landscape. Moreover, the NPS industry is expected to grow at a CAGR of 18-19% over the years to come until FY 2026-27.

### NPS Subscribers – Sector-Wise (in million)



Source: NPS

### Alternative Investment Funds (AIF) Industry

AIF is a privately aggregated investment vehicle that gathers funds from sophisticated private investors in India and abroad and invests them in accordance with a predetermined investment philosophy. In recent years, AIFs have gained significant attraction due to their ability to generate higher returns

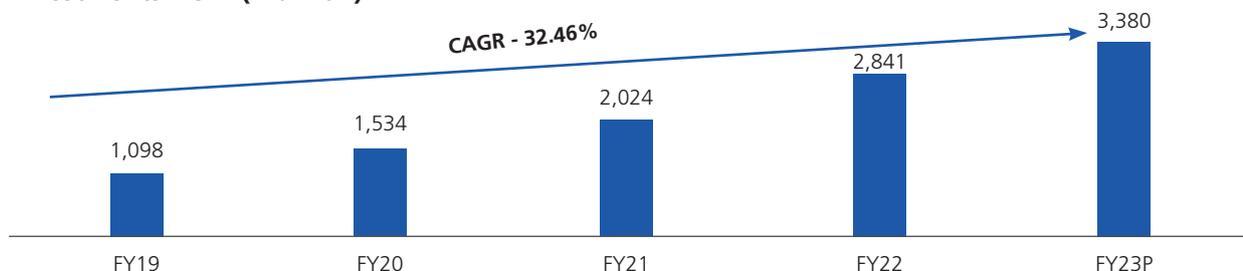
for Ultra HNI ("UHNI") / HNI clients and surge in investment activities and fundraising in India, along with support from regulatory reforms brought by SEBI. As of March 31, 2023, there were 1,100 AIFs funds registered with SEBI overseeing over ₹ 8,337 billion in investor commitments, as against 885 AIFs funds with over ₹ 6,413 billion in investor commitments as

of March 31, 2022, reflecting 24% growth in funds registered with SEBI and 30% growth in terms of investments committed. Over the last decade, the investments made by AIFs in India, have grown from over ₹ 3 billion, as on March 31, 2013 to over ₹ 3,380 billion, as on March 31, 2023. Despite such strong growth, India's AIF market is still underdeveloped as compared to the rest of world. Pension funds and insurance companies are expected to increase their allocation to private debt as the AIF market matures and generates higher yields as compared to traditional asset classes. Furthermore, offshore funds and

UHNIs / HNIs are expected to continue to bring in additional funds for higher returns. In addition, an increase in the overseas investment limit for AIFs and the simplification of procedures by way of single window approval for the set-up of units in GIFT City, India, shall drive the industry growth. The industry is expected to grow at a CAGR of 27 – 29% till FY 2026-27 and will help the allied investor services industry by serving the rising demand.

Source: Prospectus / CRISIL MI&A Estimates

### AIF Investments AUM (₹ billion)



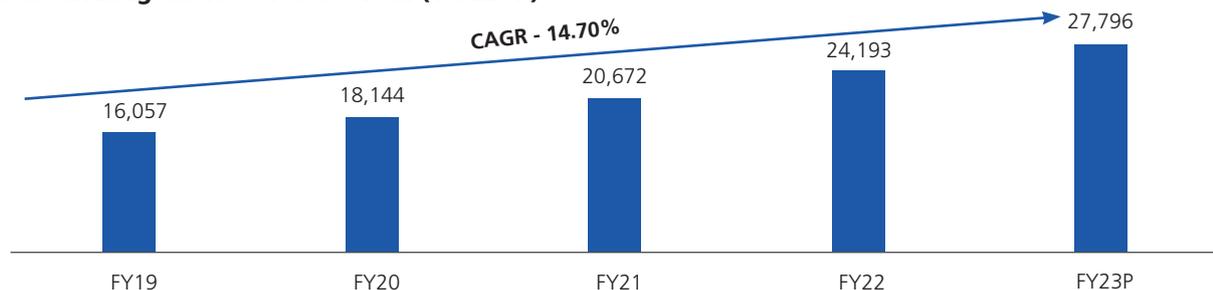
Source: CRISIL MI&A

### Portfolio Management Services (PMS)

Asset Management Companies (AMC)s, banks, brokers, and independent investment managers offer Portfolio Management Services (PMS) in India. PMS typically focuses on discretionary, non-discretionary, or advisory service offerings that are tailored to meet particular investment objectives through fundamental

portfolio management services for equities, cash, fixed income, debt, structured products, and other individual securities. Aside from administering mutual fund schemes, AMCs in India have begun offering investors customized strategies with greater flexibility through PMS. PMS AUM stood at ₹ 27,796 billion as of March 31, 2023, as compared to ₹ 24,193 billion as of March 31, 2022.

### Portfolio Management Services AUM (₹ billion)



Source: CRISIL MI&A and SEBI

### Account Aggregator (AA)

AAs are essentially non-banking financial companies, licensed by the RBI, that act as an intermediary to collect and consolidate data from all financial information providers ("FIPs"), such as banks, NBFCs, fintechs, that hold users' personal financial data and share that with financial information users ("FIUs"), such

as lending agencies or wealth management companies that provide financial services. According to Sahamati's statistics, as of June 14, 2023, 65 FIPs and 223 FIUs were live in the account aggregator ecosystem. Until March 2023, the cumulative count of accounts linked to account aggregators was 5 million and

5.90 million of consent requests were successfully fulfilled. The volume of transactions within the AA ecosystem is expected to increase, with the annual transaction volume reaching 1 billion by 2025 and 5 billion by 2027, according to the E&Y September 2022 report. In addition, an increase in FIUs and FIPs will result in multiple use cases for financial-services products such as loans, wealth management and insurance. The Reserve Bank of India ("RBI") is the license issuing authority for the account aggregators in India. As on June 2023, there were 11 account aggregators with operating license and another six had in-principle approval.

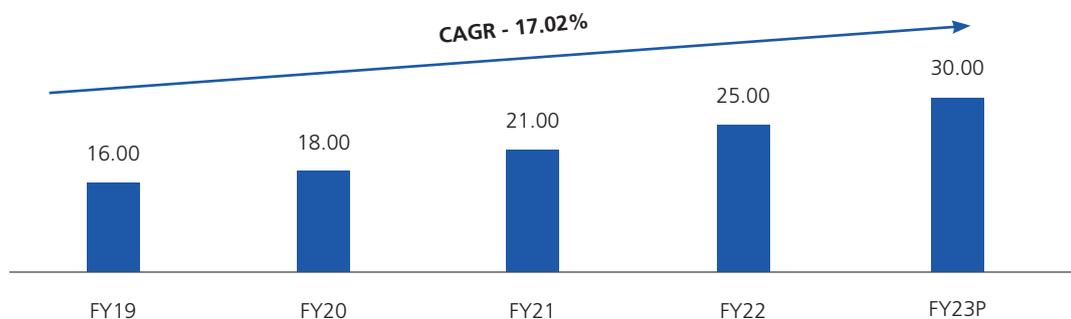
Fintech remains the most attractive sector for global investors due to India's large consumer base, which has embraced online payments, alternative lending, digital insurance, and other allied financial services. In addition, the government's drive for a digital economy and the rising internet penetration in both rural and urban areas have significantly contributed to the country's development of the fintech sector. According to the Tracxn report, as on April 10, 2023, there were 7,936 fintech start-ups in India.

### Wealth Management

The wealth management industry has experienced robust growth on a low base as a result of new investments from

household savings into organized financial assets and a growing demand for customization, with clients typically seeking advice for asset management, financial planning, tax planning, estate planning, and succession planning. Due to an increase in investments by HNIs and UHNIs, the wealth management industry has been gaining pace and expanding at a rapid rate. As the industry is still in its early stages in India, it has huge potential to become a high-growth market supported by a young affluent investor base, improving wealth levels, strengthening the regulatory environment, and an increasing share of organized players, including banks, independent wealth advisors, and brokers, who act as financial advisors. The thrust on customization, technology dependence, rising awareness, and financial assets as opposed to physical assets is expected to create large opportunities for the wealth management industry. As per CRISIL MI&A estimates India's wealth management industry assets, including banks and broking companies offering such services, to be at around ₹ 25.00 trillion in FY 2021-22, and ₹ 30.00 trillion in FY 2022-23 which is expected to grow at a CAGR of 12 – 14% to ₹ 46.70 trillion by FY 2026-27. This is expected to be supported by significant under penetration compared to other developed economies, an increasing population of affluent clients, an increase shift from physical assets to financial assets and increasing complexity of assets amid rising competition.

### Wealth Management AUM (₹ trillion)



Source: CRISIL MI&A

### Digital adoption in BFSI sector including mutual fund industry

The Information technology (IT) supplies financial institutions with digital transformation, core banking products, and customer experience services. Technology assists in overcoming problems posed by India's huge geography, which renders physical footprints in smaller locations financially unviable. Given India's young demographic structure, technology serves as an enabler for the people and the country. Demonetization, which led to a decline in cash transactions and the opening of

many new accounts, prompted a shift in consumer preference towards digital channels. In addition to COVID-19, social distancing contributed to the transition. The use of technology has resulted in an increase in the number of do-it-yourself (DIY) investors choosing a less expensive method of investment. The use of financial technology (also known as "fintech") in India has increased dramatically over the past several years, and the country now has the highest rate of fintech adoption in the world at 87%. This rate is much higher than the global average rate of 64%, which was recorded in September 2021. There

has been an increase in the engagement of persons from non-metropolitan cities in banking as a result of an increase in financial literacy, mobile penetration, awareness, and the Prime Minister's Jan Dhan Yojana bank accounts, a plan that is intended to bring the unbanked into the official banking system. As of July 05, 2023, a total of ₹ 1.99 trillion had been deposited into Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts. According to the RBI, the digital transactions volume reached 113.95 billion in FY 2022-23 as compared to 71.97 billion in FY 2021-22, witnessing an annual growth of 58.30%. According to the NPCI (National Payments Corporation of India), the UPI transactions volume reached 83.75 billion for the year FY 2022-23, as compared to 45.97 billion recorded in FY 2021-22, thereby growing by 83% Y-o-Y. Due to an increase in smartphone and internet penetration, digital payment methods, including UPI, mobile banking, and e-wallets, have spread to rural areas of the country. In FY 2022-23, internet-based trading generated ₹ 96 billion in Average Daily Turnover (ADT) on the cash market. Moreover, digitization of India's insurance market, along with an increase in FDI limits to 74%, is expected to increase the flow of long-term capital, global technology and international best practices, which would in turn support the growth of the financial sector.

Source: CRISIL Market Intelligence and Analytics December 2022 report

## South-East Asia and Hong Kong Mutual Fund Industry Overview

The mutual fund industry in Southeast Asian nations (Singapore, Malaysia, Thailand, Philippines and Indonesia) and Hong Kong is more than double the size of the Indian mutual fund industry in terms of assets under management. It has been on the rise as a result of the region's expanding population and increase in wealth across all income brackets. This has resulted in a rise in investable assets in the region, a significant component of which is invested in capital market products. In addition, individuals planning their retirement rely on the mutual fund industry to make up for any gaps in their government pension plans. Over the years, the regulatory scrutiny protecting investors interests and the moderation of fees to invest in mutual funds have attracted new investors. In addition, easy data availability and the inclusion of more millennials in the investing population have digitized the mutual fund market, thereby aiding easy investing methods. During CY2022, COVID-led impacts on economic activity, geo-political uncertainty, and the reversal of the global interest rate cycle led to volatile capital market conditions in the region which resulted in MTM losses for the asset managers. With the reopening of borders post-COVID-19, easing of geopolitical tensions and the recovery of the economy, the asset management industry across these nations is expected to improve and continue its growth trajectory by attracting inflows and new investors.

### Assets under management (USD billion)

Countries	2016	2021	2022	2016 – 2022 CAGR
Singapore (Domestic)	374	691	NA	13.1%*
Hongkong (Domestic)	122	192	165	5.2%
Malaysia	167	228	218	4.5%
Thailand	139	195	172	3.6%
Indonesia	24	41	32	5.2%
Philippines	5	9	5	0.3%

\*For Singapore the CAGR is calculated for period 2016 - 2021

The Monetary Authority of Singapore ("MAS") partnered with various industry stakeholders within the funds ecosystem to establish the Singapore Funds Industry Group ("SFIG") which is aimed at bringing together all key players across the entire asset management value chain, such as fund managers, lawyers, tax advisors and fund administrators, together to identify industry trends, new market opportunities and recommend development initiatives to transform Singapore into an asset management hub. An increase in ESG investments, the growth of millennials as investors and ageing savers increasing their allocation to investment products are expected to drive investment growth in the coming years.

In Hong Kong, to broaden the investor base for domestic funds and promote the development of local investment expertise and strengthen Hong Kong's position as an asset and wealth

management center, the SFC is promoting cross-border offerings of qualified Hong Kong public funds into overseas markets through mutual recognition arrangements. Further, the ongoing development of the Greater Bay Area to enhance distribution channels, advances in technology and increased client engagement are expected to drive growth for the mutual fund industry in Hong Kong.

The asset management industry in Malaysia is highly concentrated and anchored by a few large players. The source of funds under management largely came from unit trust funds, private retirement schemes, employee provident funds, corporate bodies and wholesale funds and the majority of these funds were deployed inside Malaysia. While agency remains a key distribution channel for retail investors in the Malaysian mutual fund industry, digital disruption and the rise of on-

demand services have caused the industry to further broaden its distribution channel through partnerships and reach out to a larger customer base. Further, digitization of financial services and the adoption of robo-advisory models for the creation of tailor-made long-term strategic investments for the client have increased the pace of financial literacy and mutual fund penetration in Malaysia.

According to Thailand's Capital Market Strategic Plan (2020–2022), SEC Thailand has defined four major goals around sustainability, financial inclusion, the development of capital market infrastructure and increasing investors' trust and confidence. Going forward, increasing retail participation, rising investor confidence, and increased asset diversity of funds owing to sustainable investing going mainstream in Thailand are expected to provide a stimulus to the mutual fund industry.

The mutual fund penetration in Indonesia is as low as 4%, which provides huge headroom for growth. Indonesia Stock Exchange ("IDX") launched multiple campaigns in the past few years to raise public awareness about the benefits of long-term investing in capital market products. The Indonesian government has also lowered the corporate tax for listed companies in the hope of encouraging private companies to go public, thereby increasing the number of companies listed on the stock exchange. The relevant authorities have also taken various efforts to expand the distribution of mutual funds to allow parties with an extensive customer network to participate as agents of mutual fund sales force. Going forward, rising and deepening of the mutual fund penetration is likely to provide a boost to the mutual fund industry in Indonesia.

The mutual fund market in Philippines is still at a nascent stage and just 3% of investment owners invest in stocks, bonds, unit investment trust funds, mutual funds and other managed investment schemes. Going forward, structural reforms and educational initiatives to strengthen financial literacy and deepen capital markets are expected to cause a shift towards managed investment schemes. Further, expanding the digital landscape in Philippines and encouraging financial empowerment through sachet investing are also expected to aid the growth of mutual funds in the country.

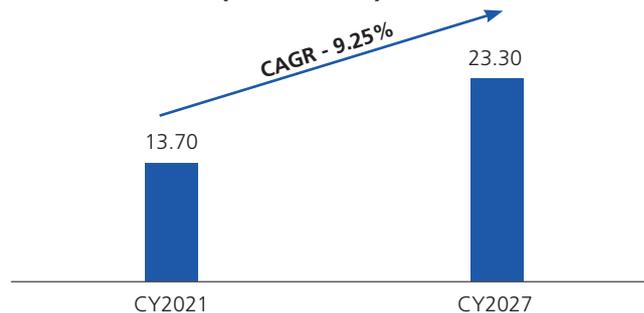
Source: CRISIL MIA report

### Global AIF (Alternate Investment Funds) Overview

According to the Preqin report, global alternative AUM is projected to surpass USD 23.30 trillion by the end of CY2027, up from USD 13.70 trillion at the end of CY2021, registering a CAGR of 9.25%. Against a backdrop of global macroeconomic concerns, demand for private capital is expected to remain strong in the future. The growth in the global AIF industry is anticipated to be driven by private equity's ability to provide superior returns to investors despite shifting market realities and regulatory landscapes. The contributions of HNIs and wealth

managers are also anticipated to rise as investor education and awareness increase. In addition, alternative assets are typically uncorrelated with public markets and provide the necessary portfolio diversification, thereby ensuring low volatility and strong performance throughout market cycles, making them an attractive proposition.

### Global AIF AUM (USD Trillion)



Source: Preqin (<https://www.preqin.com/insights/global-reports-2023>)

## Company Overview

### Company Background

KFin Technologies Limited (hereafter referred to as "Our Company" or KFinTech) is a leading technology-driven financial services platform that provides comprehensive services and solutions to the capital markets ecosystem including asset managers and corporate issuers across asset classes in India. Our Company provides several investor solutions to asset managers in Malaysia, the Philippines, Singapore, Hong Kong, and Canada. These investor solutions include registrar and transfer agency, fund administration, omni-channel transaction origination and processing, channel management, brokerage computation, digital onboarding solutions, reporting, compliance, analytics and other innovative digital solutions for asset managers across asset classes.

KFinTech is the largest provider of investor solutions to asset management firms and the largest provider of issuer solutions to listed and unlisted corporations in India, based on the number of clients served. Additionally, our Company provides services to nearly two-fifths of alternative investment funds ("AIF") in India and is the second largest, of the three, central record-keeping agencies ("CRAs") for the National Pension System ("NPS") in India. General Atlantic Singapore Fund Pte. Ltd. ("GASF"), a prominent global private equity investor, is the promoter of KFinTech.

- As of March 31, 2023, we were the only investor and issuer solutions provider in India that offered services to asset managers such as mutual funds, alternative investment funds ("AIFs"), wealth managers and pensions as well as to the corporate issuers in India, besides servicing overseas clients in South-East Asia, Hong Kong, Canada, and Gift City (India).

- As of March 31, 2023, we were India's largest investor solutions provider to Indian mutual funds, based on the number of AMC clients we serviced. We have 26 out of the 45 AMCs in India as our clients and service 119 million investor folios, representing 58% of market share based on the number of AMC clients. We have also served six AMCs in India for fund accounting solutions, of which, three are our existing AMC clients in India for investor solutions.
- We have also been the largest issuer solutions provider in India based on the number of clients serviced and have 5,363 corporate clients and 110 million investor folios, as of March 31, 2023. As of March 31, 2023, we were one of the only two scale participants in India's issuer solutions space, where our market share was 47% based on the market capitalization of NSE 500 companies and 38% based on the number of clients serviced within NSE 500 companies. A player of scale is an entity with a minimum of 25% market share (in terms of clients serviced) among the NSE 500 companies in the Indian issuer solutions space. (Source: CRISIL Report). In FY 2022-23, we held a 57% market share based on the size of mainboard initial public offerings and a 26% market share based on the number of mainboard initial public offerings we serviced.
- We had 411 AIF funds across 245 asset managers in India as our clients, as of March 31, 2023, representing 37% market share based on the number of AIFs registered with SEBI.
- We have been one of the three operating central record keeping agencies ("CRAs") for the National Pension System ("NPS") in India, servicing 0.96 million pension subscribers and over 1,900 corporate clients as of March 31, 2023.
- As of March 31, 2023, we had 40 international clients spread across Malaysia, Singapore, Hong Kong, Canada and GIFT City (India), which comprised 32 clients availing registrar and transfer agency solutions and 15 clients availing fund administration services, including fund accounting solutions.
- Within our global services business, we manage a global 'center of excellence' for a large global mortgage and issuer services provider, wherein we provide global business services such as mortgage services, legal services, transfer agency services, and finance and accounting services on a fully outsourced basis by leveraging our technology and execution skills as well as India's low-cost advantage.

We provide several critically important services to the global capital markets ecosystem. Our clients utilize our platforms

for our different service offerings as a substantial part of their operational requirements. We have adopted a platform-driven product design and delivery approach to service the varied needs of our clients. We have an end-to-end transaction management platform across multiple asset classes, such as mutual funds, direct stock investments, alternate investment funds, wealth and pension across India and overseas locations. We provide our clients with data-driven technology solutions that combine our in-house platform technologies and several of our in-house value-added-services ("VAS") products across different asset classes, including white label technology to meet client requirements. For example, for our domestic mutual fund solutions, we offer several VAS products such as 'Digix', a data analytics and reporting tool, white label tools such as Distributor Initiated Transaction ("DIT") and 'Kbolt Go', a front-end application for AMC sales channels. Similarly, in issuer solutions, we offer several VAS digital tools such as a virtual online registry 'KARISMA', an insider trading management platform, 'Fintrak', an online e-voting software, 'e-Voting', a mobile-based platform allowing shareholders to view their investments across equity and bonds, 'KPrism', an initial public offer bidding platform, 'Pushpak', a video conferencing and e-voting platform, 'eAGM' and a platform for data security, 'eVault'. For global alternative investment funds, wealth management and portfolio management clients, we offer VAS like Digix, digital onboarding, revenue assurance, compliance and regulatory reporting and performance analytics. We offer these services primarily as turnkey solutions by combining various digital products with the requisite solutions to ensure that our platform provides end-to-end operations support to our clients. We constantly enhance our platform by adding new products and solutions by investing in talent and innovation as well as through strategic acquisitions. We provide offerings such as platform as a service ("PAAS") and use technology to create products and platforms that eliminate manual intervention, improve the accuracy of transaction proceeding and reduce cost by eliminating the manpower needs in conducting day-to-day business. For example, Digix is a product that eliminates the need for manual intervention in relation to regulatory, statutory reports and MIS reports. It also has intelligent report builder functionality to cater to the needs of the sales, marketing and operations team to slice and analyze the data instantly.

We provide clients with an omni-channel experience by combining our platform with a physical pan India network of 182 service centers as of March 31, 2023, that aids in offline transaction origination and channel partner servicing. We have transformed our business into a financial technology-driven platform-as-a-service model. Our technology offering enables transaction lifecycle management combined with highly secure data collection, processing and storage. We processed 1.50 million average daily transactions, including approximately 1 million systematic transactions per day. We operate at such scale

while maintaining the requisite thresholds around turnaround time and accuracy, in line with our agreements with clients and an accuracy rate of above 99%, while ensuring above 99% of all transactions are processed while adhering to the timelines as stipulated in our agreements with clients. We outsource our

data center to a third-party service provider, and as a result, our platform is expandable based on our need for additional transaction processing capacity. Our client-centric technology combined with our strategy to develop technology ecosystems to address client requirements has enabled us to achieve economies of scale without incurring significant incremental costs.

We classify our products and services in the following manner:

	Investor solutions				Issuer solutions	Global business services
	Domestic mutual fund	International asset managers	Pension services	Global Alternatives, Wealth management, and Portfolio management solutions		
Front-End	Account Setup, Transaction Origination, Channel Management, Customer Communication Management	Account Setup, Transaction Origination, Digital Onboarding	Account Setup, Transaction Origination	Account Setup, Digital Onboarding	Folio Creation and Maintenance	-
Middle Office	Fund Administration, Fund Accounting, Transaction Processing, Unit, Allocation, KYC, Redemption, Brokerage, Calculations, Payment Processing, Fund Accounting, Reconciliation	Fund Administration, Fund Accounting, Transaction Processing, Unit, Allocation, KYC, Redemption, Brokerage, Calculations, Payment Processing	Transaction Processing, Unit, Allocation, Redemption, Reconciliation	Fund Administration, Fund Accounting, Transaction Processing, Unit Allocation, Redemption, Brokerage Calculations, Reconciliation	Transaction Processing for IPO, FPO, etc. Corporate Action Processing, Folio updates, Dividend / Interest Processing	
Back End	Compliance / Regulatory Reporting, Recordkeeping, MIS / Decision Support	Compliance / Regulatory Reporting, Recordkeeping, MIS / Decision Support	Compliance / Regulatory Reporting, Recordkeeping	Compliance / Regulatory Reporting, Recordkeeping	Compliance / Regulatory Reporting, Recordkeeping, MIS / Decision Support	Mortgage Services, Legal Services, Transfer Agency, Finance and Accounting
VAS	Distributor Platform, Investor Platform, IT Infra and Web Hosting, Data Analytics, Datalake, AML / PML Check	Online Tx Platforms, Website and Apps, Other Platform, Solutions, Data Analytics, Datalake, AML / PML Check	-	Revenue Assurance, Data Analytics, Datalake, AML / PML Check	e-Voting, e-AGM, e-Vault, Fintrack Insider, Trading Platform, AML / PML check, Other Platform, Solutions	-

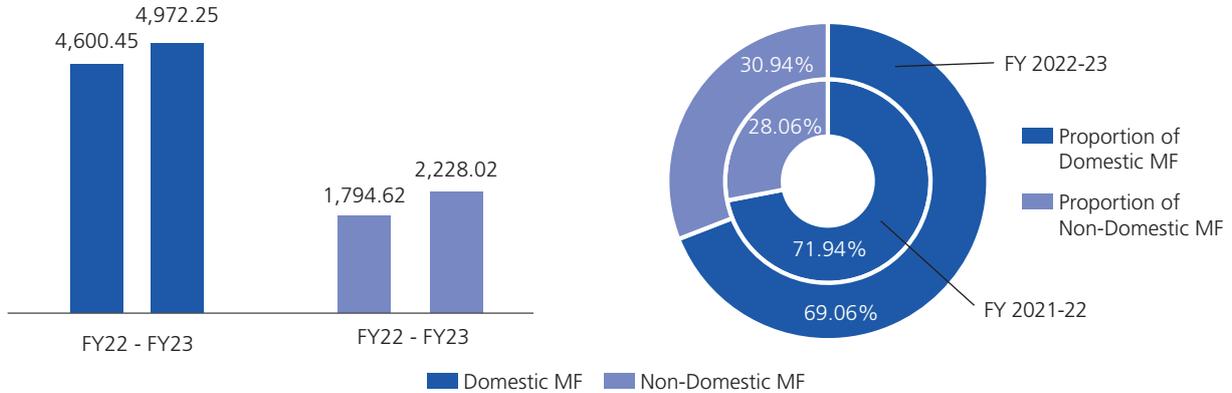
### Key Business Strengths

- **Scaled platform with diversified business model, large addressable market across segments, strong track record of growth and market leadership**

At Kfintech, our focus is to grow as a diversified business model and reduce dependence on the domestic mutual fund segment. Over the years, our thrust to invest in fast growing

new business segments and geographies has helped us reduce our dependence on the domestic mutual fund business. As a result, the proportion of revenue from non-domestic-mutual-fund segments has increased from 28% of the overall revenue in FY 2021-22 to 31% in FY 2022-23. Going forward, as new and younger businesses continue to grow at a faster pace, the proportion of domestic mutual funds in the overall revenue will reduce further.

### Domestic MF and Non-Domestic MF Revenues and their Share in Total Revenue (₹ million)

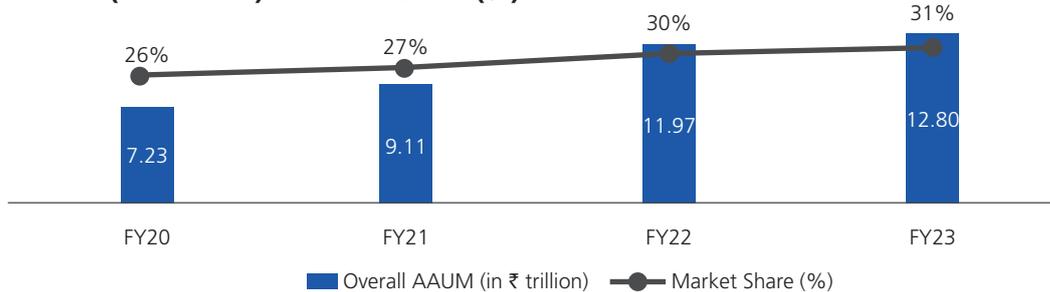


Source: Company

In the Domestic Mutual Fund segment, KFinTech is India's largest investor solutions provider and has 26 out of the 45 AMCs as its clients. Our client-focused approach, thrust on technology advancement, and investment in talent and innovation have helped to establish a strong track record of winning 15 of the last 22 new AMCs that were launched in India. On the client-managed AAUM side, our Company has been steadily increasing market share, rising from 26% in FY 2019-20 to 31% in FY 2022-23, and on the equity AAUM side, rising from 29% in FY 2019-20 to 35% in FY 2022-23. In terms of SIP inflows, a leading indicator of Equity AAUM market share, KFinTech's clients' funds grew

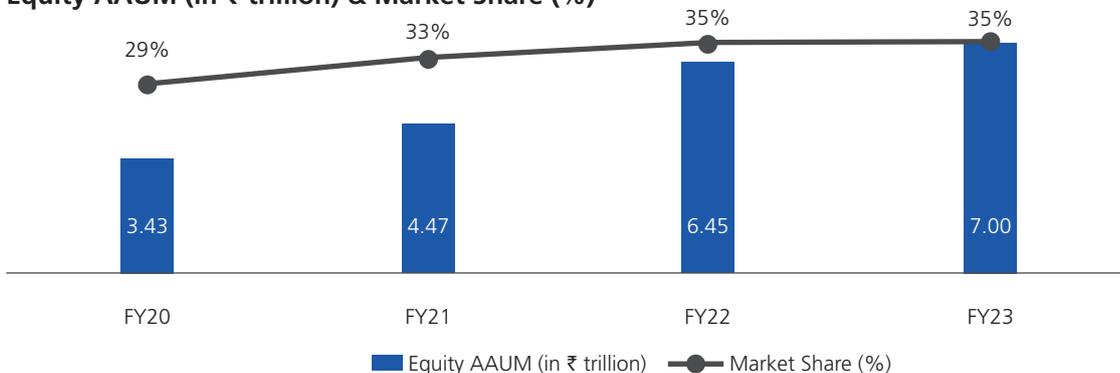
at a 3-Yr CAGR of 48.06% to ₹ 652 billion in FY 2022-23 as against the industry's growth 3-Yr CAGR of 38.86% and inflows of ₹ 1,560 billion in FY 2022-23, leading to an improvement in market share from 34% in FY 2019-20 to 42% in FY 2022-23. Investor folios during this period grew at a CAGR of 14.76% from 78 million in FY 2019-20 to 119 million in FY 2022-23, and transaction volume grew at a CAGR of 23.62% from 160 million in FY 2019-20 to 303 million in FY 2022-23. Our revenue continues to grow faster than the industry's overall AAUM growth rate. Revenue during this phase grew at a 3-Yr CAGR of 19.43% to ₹ 4,972.25 million in FY 2022-23.

### Overall AAUM (in ₹ trillion) & Market Share (%)



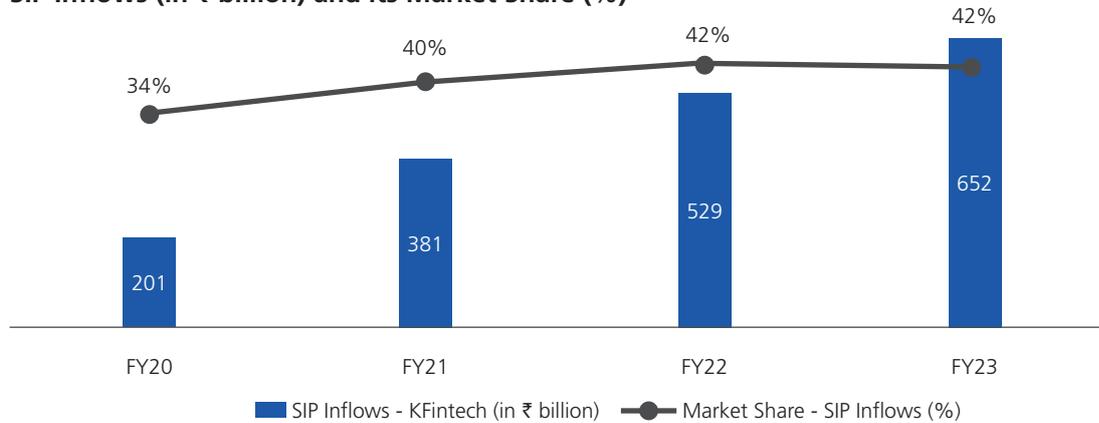
AAUM represent average assets under management of the last quarter of the period  
Market share represent average for the period

### Equity AAUM (in ₹ trillion) & Market Share (%)

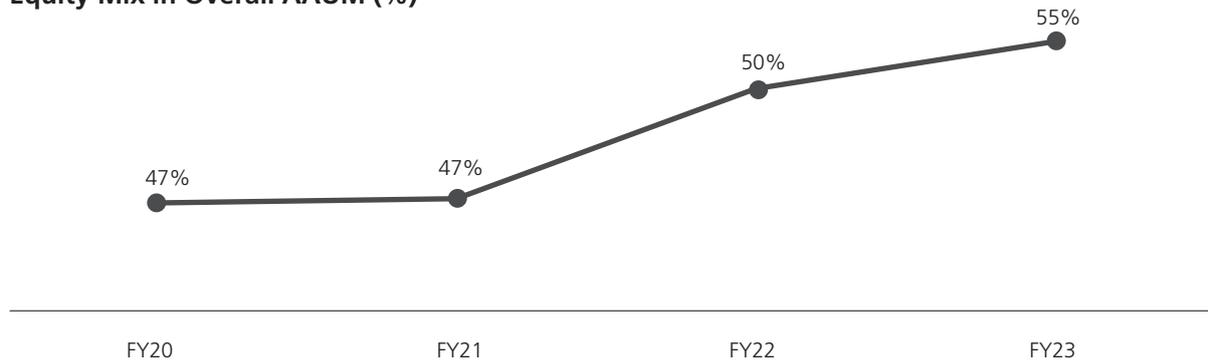


AAUM represent average assets under management of the last quarter of the period  
Market share represent average for the period

### SIP Inflows (in ₹ billion) and its Market Share (%)



### Equity Mix in Overall AAUM (%)

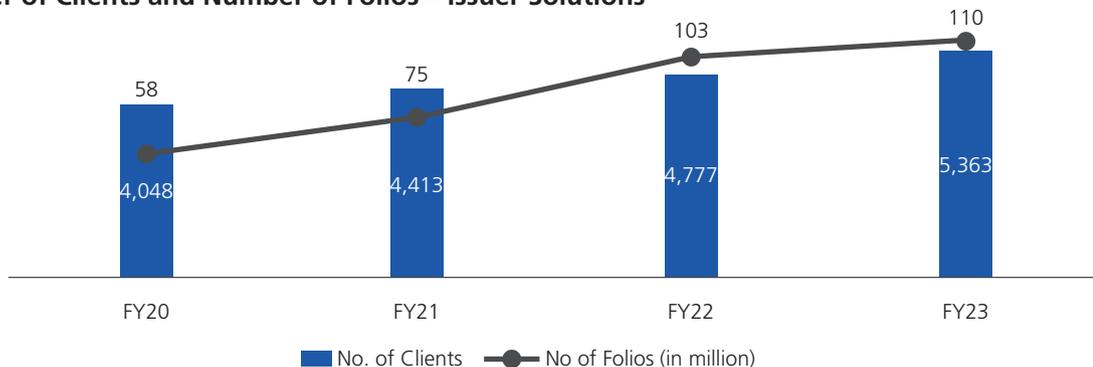


AAUM represent average assets under management of the last quarter of the period

KFinTech is the largest provider of issuer solutions in terms of number of clients, providing services to 5,363 listed and unlisted corporate clients. We are growing and further strengthening our leadership position by adding clients and investor folios. We grew at a 3-Yr CAGR of 9.83% and added 1,315 clients to reach 5,363 clients by the end of FY 2022-23. In terms of folios, we grew at a 3-YR CAGR of 23.63% and added 52 million investor folios to reach a total count of 110 million folios. Between domestic mutual fund and issuer solutions, KFinTech manages one

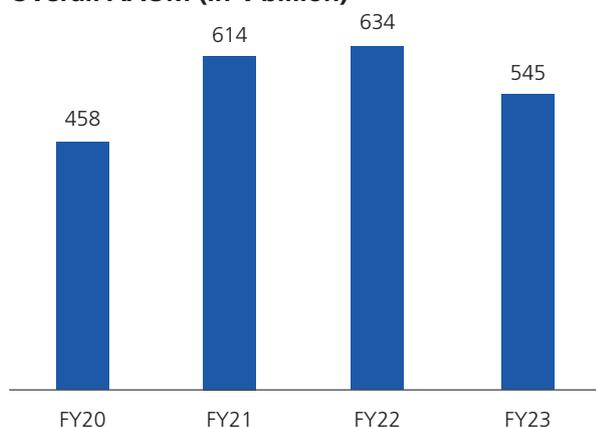
of the world's largest investor folios count of 229 million. KFinTech has been entrusted with the mandate to act as a registrar and transfer agent for nearly two-fifths of the NSE 500 companies. Within NSE 500 category, KFinTech held 38% market share in terms of number of clients, 42% market share in terms of number of folios, and 47% market share in terms of market capitalization, as of March 31, 2023. Revenue during this phase grew at a 3-Yr CAGR of 7.98% to ₹ 1,132.96 million in FY 2022-23.

### Number of Clients and Number of Folios – Issuer Solutions



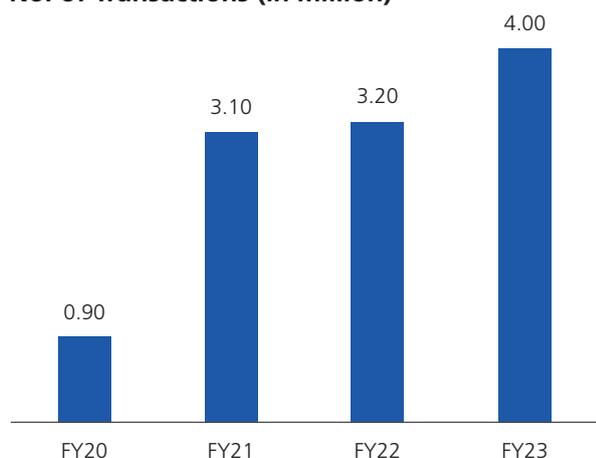
In the International Investor Solutions segment, with we made a humble start seven years ago, with eight clients across Malaysia and Philippines and approximately ₹ 40 million in revenue to provide registrar and transfer agency solutions to the global asset managers. By the end of FY 2022-23, we had grown to 23 clients across Malaysia, Singapore, Philippines, Hong Kong and the Middle East and approximately ₹ 300.08 million revenue to offer a full suite of end-to-end investor solutions to asset managers across asset classes, ranging from registrar and transfer agency solutions to fund administration services to other allied digital value-added services. Besides, we have 10 global alternative asset managers as clients in Gift City (India) and Canada to whom we offer investor solutions including fund administration services. Through our recent acquisition of Hexagram Fintech Private Limited (Hexagram), we also have seven clients in Malaysia to whom we offer fund administration solutions.

### Overall AAUM (in ₹ billion)



AAUM represent assets under management at the end of period

### No. of Transactions (in million)



In the Alternative Funds, Wealth Management and Portfolio Management Solutions segment (AIF, PWM,

PMS), we are the largest investor solutions provider in India in terms of the number of alternative funds serviced and offer investor solutions to 411 funds across 245 alternative asset managers, commanding over 37% market share based on the number of alternative funds registered with SEBI as of March 31, 2023. We are continuously onboarding new funds and have been gaining market share, which has improved from 14% in FY 2019-20 to 37% by FY 2022-23. Revenue during this phase grew at a 3-Yr CAGR of 23.77% to ₹ 182.04 million in FY 2022-23.

In the National Pension Services segment, we are the second largest of the three CRAs in India and have 0.96 million subscribers as on March 31, 2023. Our market share on the overall subscriber base improved from 2% in FY 2019-20 to 7% in FY 2022-23. In terms of new subscribers' addition, KFintech had 15% market share during FY 2022-23. Revenue during this phase grew at a 3-Yr CAGR of 70.49% to ₹ 66.92 million in FY 2022-23.

- **Unique platform-as-a-service (PaaS) business model offering end-to-end solutions facilitated by in-house developed technology solutions.**

KFintech's "platform-as-a-service" business model provides its clients with comprehensive end-to-end solutions. Our technology offering enables transaction lifecycle management combined with highly secure data collection, processing and storage. We work with a data center that houses over 350 servers and has a data storage handling capacity of over 250 TB. We provide the flexibility to address all major asset classes for global asset managers and corporate clients through our platform. We have implemented a platform-based cross-sell approach across a deep product stack. Our core service offerings provide end-to-end support across the front office, middle office and back end combined with a suite of VAS. Our approach to developing our platform, products and services is to address our clients' requirements, treating them as partners, thereby enabling us to understand their requirements, develop suitable solutions, and cross-sell products and VAS to the client. Our VAS such as 'white labelled' digital platforms such as clients' websites, mobile applications, distributor platforms, platforms for clients' employees for assisted sales, platforms for institutional investments, digital onboarding solutions, datalake, complex analytics, electronic AGM, electronic voting, and compliance platform, have helped us increase wallet share with our existing clients. We have launched over 20 new products and solutions and several more are in the pipeline. This client-centric approach and the development of solutions that are easily extendable to other clients provide us with economies of scale without incurring incremental development costs. Our platform is therefore modular and adaptable for clients across geographies. Further, we can onboard a client and

customize our platform for their requirements and enable them to launch their business with quick turnaround times.

Our revenues from such VAS increased from ₹ 177.48 million in FY 2019-20 to ₹ 380.70 million in FY 2022-23, which represents a 3-Yr CAGR of 28.97%. For FY 2022-23, revenue from VAS constitutes 5.29% of the overall revenue, up from 3.95% in FY 2019-20. As we continue to support our clients across geographies in their growth by investing in technology and innovation, our ability to cross-sell and up-sell will further improve and increase the proportion of VAS revenue in the overall revenue from operations.

Our SaaS platform is focused on customer experience, cost reduction and operational efficiency. Our aim is to use technology to create products and platforms that eliminate manual intervention, improve the accuracy of transaction proceedings, and reduce costs by eliminating the manpower needed to conduct day-to-day business. We have the latest modern technology stack and cloud ready products and platforms and we have continuously adopted newer technologies to drive automation across

our platform. This has resulted in a reduction of operating costs from 64.74% of the overall revenue in FY 2019-20 to 58.61% of the overall revenue in FY 2022-23.

- **An asset-light business model with recurring revenue, strong operating leverage, profitability, and cash generation**

KFintech operates an attractive business model with a history of consistent profitability and returns, while operating an asset-light model that has historically generated a significant amount of free cash flow. Our asset turnover improved to 3.52x in FY 2022-23 against 3.20x in FY 2021-22 and net profit margins improved to 27.18% in FY 2022-23 from 23.23% in FY 2021-22. During FY 2022-23, about 50% of the earnings before interest, taxes, depreciation and amortization (EBITDA) was converted into free cash flows. Cash and cash equivalents (including investments) as of March 31, 2023 was ₹ 3,090.89 million, up by 123.5% over FY 2021-22. Our return on equity during FY 2022-23 was 25.85% and 29.99% in FY 2021-22.

### KFintech's revenue model

Business	Revenue Model
Mutual Fund Solutions (Domestic Mutual Fund Solutions and International Investor Solutions)	<ul style="list-style-type: none"> <li>• % of AUM</li> <li>• Transaction-Based</li> <li>• Fixed fee for number of AMC branches serviced</li> <li>• Fee for information technology products and services such as Digix, datalake, Kbolt-Go, website, mobility solutions, CRM tools, Insta Brokerage and other value-added products and services</li> </ul>
Issuer Solutions	<ul style="list-style-type: none"> <li>• No. of Folios</li> <li>• Number of corporate actions</li> <li>• Hybrid model for value-added products and services</li> </ul>
Alternatives and wealth management	<ul style="list-style-type: none"> <li>• % of AUM for TA and FA</li> <li>• Platform fee</li> <li>• Fee for digital solutions such as digital onboarding, Digix, datalake, and other such value-added products and services</li> </ul>
Pension Services	<ul style="list-style-type: none"> <li>• Fixed account opening charges</li> <li>• Annual maintenance fees</li> <li>• Fee per transaction</li> </ul>
Global business services	<ul style="list-style-type: none"> <li>• Per full-time employee (FTE)</li> </ul>

- **A diverse multi-asset servicing infrastructure is well-positioned to capitalize on the robust growth and development of India, South-East Asia and other global markets.**

At KFintech, we strive to build a globally diversified business on a large scale. We operate across multiple financial asset classes in multiple large markets in India, Canada, Hong Kong, Malaysia, and the Philippines, along with a presence in the Middle East and soon to start in

Singapore and Thailand. This has allowed our Company to expand beyond its India-centric roots and emerge as a global business. The share of revenue from the domestic mutual fund business segment in overall revenue declined to 69.06% in FY 2022-23 as compared to 71.94% in FY 2021-22 and with faster growth across non-domestic mutual fund segments, we expect the latter's share in overall revenue to grow further. KFintech is well-positioned to capitalize on the anticipated growth of

the Indian economy due to our market dominance in India, our profoundly rooted and long-standing client relationships, and our robust business development efforts.

South-East Asia and Hong Kong account for large portfolio of assets under management (AUM), equivalent to more than two times the size of India's asset management industry, which would allow KFintech to continue to expand its international investor solutions across these markets. In addition, the strong growth in the global alternative segment would allow us to expand our fund administration solutions to global asset managers by exploring newer geographies as well. The combination of macro factors in the markets in which KFintech operates, such as a relevant government push, an increased investor pool and client engagement, a broadening distribution channel, digital disruption, sustainable finance, and a change in investor attitude, provides us with a significant growth opportunity in these markets.

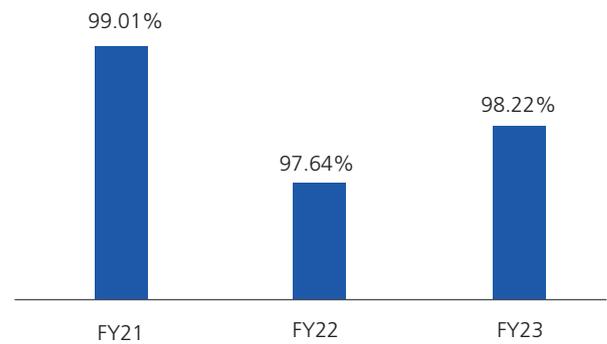
- **Long-standing, deeply rooted client relationships with a diverse and growing client base**

We serve our clients to support their customers' needs across the lifecycle of a relationship in an increasingly complex compliance landscape. Due to the exhaustive nature of our platforms and our clients' reliance on them for end-to-end services, KFintech is integral to its clients'

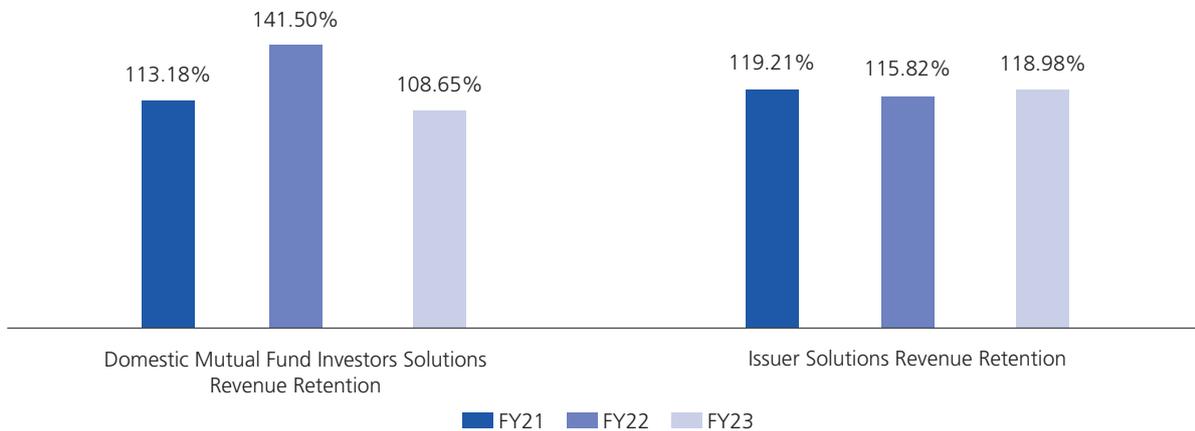
businesses and operations, resulting in long-term client relationships with low client attrition.

We provide complex solutions and services across asset classes for multiple geographies with significant expertise that has been honed over the years presence. We have a strong presence in the industry, and a rich experience working with clients, of which, some are the largest companies operating in their respective segments. We are regulated by multiple regulators in India and other jurisdictions and our services require high technology intensity and a track record of delivery at scale, and are subject to stringent compliance and regulations, resulting in high proportion of all our clients across our businesses. Our market leadership and long-term integrated client relationships across our platform put us in a favorable position to increase our share of business from existing clients.

**Recurring Revenue (As a % of Overall Revenue)**



**Net Revenue Retention (%)**



We intend to further strengthen our client relationships by providing multiple platform solutions across RTA and FA services, including digital onboarding, digital platforms for intermediaries, synchronized transfer

agency and fund administration services including fund accounting platforms, scalable and secure technology and infrastructure with cyber-security-as-a-service, data analytics-as-a-service (DAAS), and a customer data platform.

- **Experienced management team, backed by a strong board, along with strong culture of compliance**

KFintech has a seasoned professional leadership team, supported by experienced senior managers who have extensive industry knowledge and have been associated with us as well as with leading multinational companies in India and outside India for a long period of time. Our management team has demonstrated its ability to develop and execute a focused strategy to grow our business and optimize costs through strong business development efforts and technology initiatives, enabling us to strengthen our market position and deliver consistent financial performance.

We believe that the industry knowledge and extensive experience of our management team provide us with a competitive advantage and are essential to attracting top-tier talent, implementing our strategy, and achieving our long-term goal of delivering sustainable growth across our businesses. Our Company's Board is comprised of Directors with substantial experience in managing, advising and investing in technology companies. Our culture of compliance, focus on systems, processes and technology have allowed us to become a trusted provider of services to our clients and other stakeholders. We actively track our compliance status on a quarterly basis by deploying compliance measurement tool. We have implemented a cyber security and cyber resilience policy, and our processes are ISO 27001:2013 certified.

### Key Business Strategies and Developments

- **Maintaining our leadership in current businesses by enhancing our value proposition and further deepening our relationship with existing clients**

Our clients operate in a complex and fast-changing environment with evolving end customer-needs, regulatory updates, competition and technological innovation. This requires our clients to adapt to such a dynamic environment through continuous technology-driven innovation across their operations, without neglecting their core businesses around investments and marketing. We have strong multi-year relationships with clients across our platform and our clients utilize a range of services from our platform. We have been increasing our efforts to up-sell and cross-sell other products and services including value added software-as-a-service and data analytics products to our clients.

- o **Domestic mutual fund solutions:** As of March 31, 2023, we had 23 operating clients in our domestic mutual fund solutions business and three new AMCs that are yet to launch operations. While we expect to continue our winning streak as well as increase our revenue from these clients in line with overall market growth and growth in the businesses of our clients, we also seek to increase revenue from these clients by increasing the share of our VAS from these clients. Our data analytics platform 'Digix' is live for 23 clients, 'Datalake' platform was implemented for one client, 'DIT' platform has seven clients, a virtual branch platform 'Kbolt Go' is live for three clients, 'API integration with Fintechs' had three clients, fund accounting platform 'mPower' had six clients.
- o **Issuer solutions:** As of March 31, 2023, we had 5,363 clients and serviced 110 million investor folios. We continue to add new clients and investor folios as well as increase our wallet share of revenue from existing clients by marketing our platform-as-a-service VAS offerings. Our platform offerings include 'Fintrak' that had 196 clients, 'eVaults' that had 135 clients, 'eVoting / Instapoll' that had 547 clients, 'eAGM' that had 276 clients.
- o **International investor solutions:** We are rapidly growing in the international markets and have presence in Malaysia, Philippines, Hong Kong, Middle East, Canada, Gift City (India) and soon to start in Singapore and Thailand. As of March 31, 2023, we had 40 clients in international markets to whom we offer our RTA, FA and other digital solutions. As we continue to invest in business development, technology, new product development and delivery excellence, we expect to penetrate faster in these markets.
- o **AIF, PWM, PMS and NPS solutions:** We have a strong pipeline of products under development such as "AIF in a Box", a comprehensive platform for global AIFs, "NPS Agent Platform", for assisted NPS Sales and others. In addition, we leverage our relationships to cross-sell and up-sell several of our existing VAS offerings to existing AIF clients including Digix, digital onboarding and others. Hexagram offers its fund accounting platform 'mPower' to 27 clients including insurance companies, pensions, trusts and others in India (20 clients) and outside India (7 clients). We also bundled 'mPower' platform offering along with fund administration solutions for several other AIF clients in India, GIFT City and other global jurisdictions. These will help us position ourselves as a one-stop solution provider for all the needs of global asset managers.

- o **Global business services:** Our primary client for this business is Computershare and its various business lines across multiple regions. We operate an asset-light model due to high utilization of technology, robust infrastructure and strong employee headcount and low client acquisition costs.
- **Expand client base and market share through active sales and marketing**

In addition to the expansion of our existing client base, KFinTech actively endeavors to acquire new clients across all of its service offerings and businesses. Our Company engages in business development initiatives across its segments by investing in dedicated talent to attract new customers and new geographies. We have undertaken investments in our sales capabilities in the past including building separate sales capabilities within key businesses as well as internationally. Our Company takes a client-centric approach by offering customized solutions to meet the needs of specific customers. As a result, we have witnessed significant success in new client acquisition across our businesses. During FY 2022-23, in domestic mutual fund business, we won a new AMC client as an RTA marking our 8<sup>th</sup> new win of the last 12 new AMCs launched in India. In issuer solutions, we added 593 new clients and 7.49 million investor folios, managed India's largest public issue offer of Life Insurance Corporation of India, and also won the Asia-Pacific Stevie Award (Gold) for Innovation in Digital Transformation - Financial Services Industries for "Digitally transforming the IPO subscription model". In case of AIF, PWM and PMS segment, we added 143 new funds. Within Hexagram, we added four new clients on the fund accounting platform. In international investor solutions, our overall count increased to 40 clients with 32 clients on the RTA solutions offerings and 15 clients on the FA solutions offerings. In the case of NPS, we added 209,247 new pension subscribers and 512 corporate clients.

We plan to continue onboarding new clients across our various businesses and investing in our sales efforts so as to enhance our market share across businesses. We intend to deepen our presence in global alternative markets and have expanded our international sales team by adding additional country sales heads in South East Asia. We intend to augment our sales efforts with high levels of cross-referrals from within our existing customer base since several of the asset managers served by us have global operations and often operate across countries in the geographies served by us. AIF and wealth management investor solutions, pension services, international investor solutions, and global business services are relatively recent

additions to the platform's solution offerings. KFinTech intends to expand the size and operations of these businesses by capitalizing on existing relationships with clients in other industries and by increasing the value-added offerings and digitization of its offerings. While our sales strategy differs across businesses, we typically look to commence our relationship with a new client with our core offerings and gradually increase our relationship with the client to cover all aspects of our platform.

- **Investing in innovative technology solutions and product development**

We believe that we have developed a future-ready-scalable platform with tech-enabled infrastructure to meet the requirements of our clients. We have comprehensive product platform solutions built on technology. As of March 31, 2023, we had a dedicated team of about 769 employees focused on developing technology and innovative solutions. Our team is constantly evaluating our technology solutions and our client requirements to increase the levels of digitization, create new products, improve operational efficiency for our clients and ourselves and enhance the levels of automation of processes. In FY 2020-21, FY 2021-22 and FY 2022-23, our total technology expenses, which include capital expenditure incurred towards computers and accessories, software and license fees, software expenses and employee costs constituted 15.90%, 20.50%, and 22.28% of our revenue from operations, respectively.

We intend to continue to invest in technological innovations in line with the growth of our business and to meet client requirements. For example, in FY 2021-22, we added a fund accounting and reconciliation product to our platform, which we will invest in building an end-to-end fund administration and reconciliation solution for our clients across asset classes. We have developed several of these products and services in-house or acquired them through acquisitions, based on client requirements. Further, the increase in automation and digitization in our internal operations gives us an advantage in terms of operating leverage, as technology improvement enables us to control our operational costs including employee costs. Our revenue per employee has increased to ₹ 1.37 million in FY 2022-23 from ₹ 0.83 million in FY 2019-20. Our focus is to develop products and platforms with sector-agnostic capabilities that will further allow us to diversify our client base. For example, our data analytics product like Digix and our fraud analytics product like Fintrak are products that are sector-agnostic and can be marketed to different customers.

- **Focused and selective global expansion**

As of March 31, 2023, KFinTech had 40 clients across Malaysia, Hong Kong, Philippines, Singapore, Canada, and GIFT City (India). Our clients range from AMCs, alternative funds, unit trusts, and pensions. KFinTech aspires to become the market leader for third-party investor solutions across these markets. Our Company intends to expand internationally beyond the current geographies by enhancing the global delivery model, in which it will seek to become delivery partners for RTA, FA and other digital solutions to global asset managers in order to penetrate the existing markets and enter newer jurisdictions. We intend to do so with a focused product approach which will be led by alternative investment products as well as other products that leverage the low-cost advantage in India.

- **Pursue strategic acquisitions**

We believe that our market access, brand recognition, track record of business acquisition and integration and management depth position us well to target inorganic growth opportunities. We aim to continue to execute acquisitions to expand our platform and service offerings and acquire new clients to drive accelerated growth by leveraging our market access. We also aim to focus our efforts on the following types of businesses:

- o Established businesses in our key markets and businesses so as to add more clients across our business. For example, we acquired the RTA business of Sundaram BNP Paribas Fund Services, which helped us acquire two AMCs and 20 alternative funds as clients for our existing investor solutions platform in India;
- o Existing businesses in new geographies as a tool for market entry. For example, we took over the investor solutions business that was started in South East Asia by the erstwhile entities consisting of eight clients in

Malaysia and Philippines. This business marked our entry into South East Asia; and

- o Broadening our product portfolio to deepen our client relationships. For example, we acquired Hexagram in FY 2021-22 which enabled us to add fund accounting and reconciliation products to our platform and start positioning ourselves as a global fund administrator. In FY 2022-23, we made an investment of 25.63% into Fintech Products and Solutions India Private Limited ("FPSIPL") to enter the novel account aggregator business. FPSIPL, through its wholly-owned subsidiary, owns India's first account aggregator license and is also the market leader with over 40% market share. In April 2023, KFinTech also acquired 100% stake in WebileApps India Private Limited, which specializes in UI/UX, artificial intelligence, machine learning, mobility solutions and other product development. We intend to leverage its competencies to accelerate our technology and product development.

We intend to assess acquisition and investment opportunities and have an active pipeline of opportunities that we monitor on a regular basis. For instance, we are evaluating the acquisition of a global fund administrator.

### **Attract and retain talent especially in technology and business development functions**

We consider people to be our greatest asset. We are committed to our employees' professional development and have instituted a results-driven, rewarding and transparent compensation structure combined with training programs and opportunities to participate in diverse and international projects to incentivize, retain our employees and attract new talent. We believe that these measures drive operational efficiency and productivity gains. Our employee split across functions is as below:

Function	As on March 31, 2021	As on March 31, 2022	As on March 31, 2023
Operations	4,280	4,350	4,133
IT	690	746	769
Support functions	318	310	296
Malaysia and Bahrain – operations	31	34	31
<b>Total</b>	<b>5,319</b>	<b>5,440</b>	<b>5,229</b>

## FINANCIAL PERFORMANCE (₹ in million)

Particulars	Year Ended	
	March 31, 2023	March 31, 2022
	Audited	Audited
Revenues	7,200.27	6,395.07
EBITDA	2,980.36	2,878.51
EBITDA margin %	41.39%	45.01%
Profit After Tax	1,957.36	1,485.49
Profit after tax %	27.18%	23.23%
Diluted EPS	11.52	9.36

Revenue Break-up	FY 2022-23	FY 2021-22	% Y-o-Y
A. Domestic Mutual Fund Investor Solutions	4,972.25	4,600.45	8.08%
B. Issuer Solutions	1,132.96	884.14	28.14%
C. International and Other Investor Solutions	657.35	488.05	34.69%
(i) Global Fund Solutions	300.08	305.37	-1.73%
(ii) Alternative, Wealth and Portfolio Management Solutions	182.04	125.75	44.76%
(iii) National Pension Solutions	66.92	36.45	83.57%
(iv) Hexagram	108.31	20.48	428.96%
D. Global Business Services	437.71	422.43	3.62%
<b>Total (A+B+C+D)</b>	<b>7,200.27</b>	<b>6,395.07</b>	<b>12.59%</b>

### Financial Highlights

FY 2022-23 Revenue from operations stood at ₹ 7,200.27 million, an increase of 12.59% year-over-year (Y-o-Y) as compared to ₹ 6,395.07 recorded in FY 2021-22. KFinTech's revenue continues to grow faster than the domestic mutual fund AAUM growth driven by a diversified business model. Our non-domestic mutual fund revenue continues to grow at a faster rate and was ₹ 2,228.02 million in FY 2022-23, an increase of 24.15% year-on-year (Y-o-Y) as compared to ₹ 1,794.62 million recorded in FY 2021-22. The proportion of non-domestic mutual fund business in the overall revenue increased to 31% in FY 2022-23 as compared to 28% in FY 2021-22. EBITDA stood at ₹ 2,980.36 million, up 3.54% Y-o-Y, with an EBITDA margin of 41.39%. Profit after tax was recorded at ₹ 1,957.36 million as compared to ₹ 1,485.49 million, up by 31.77% Y-o-Y; the PAT margin stood at 27.18%. EPS increased by 23.08% Y-o-Y, to reach ₹ 11.52. As of March 31, 2023, cash and cash equivalents (including investments) totaled ₹ 3,,090.89 million.

### Business Highlights

For FY 2022-23, in domestic mutual fund segment, overall AAUM<sup>1</sup> growth was recorded at 6.96% Y-o-Y compared to industry growth of 5.55% Y-o-Y. Equity AAUM<sup>1</sup> growth was recorded at 8.65% Y-o-Y compared to industry growth of 10.46% Y-o-Y. Overall AAUM<sup>1</sup> market share improved from 31% in FY 2021-22 to 32% in FY 2022-23; Equity AAUM<sup>1</sup>

market share was stable at 35%. SIP inflows of ₹ 652.30 billion are at all-time high, up by 23.39% Y-o-Y. SIP book AAUM<sup>1</sup> of ₹ 2,117.67 billion, also grew by 19.47% Y-o-Y. Our market share in SIP inflows was 41% in March 2023.

During FY 2022-23, we won a new AMC client mandate for RTA solutions – Old Bridge Capital Management. We completed the implementation of our flagship VAS product “Datalake” for one of the largest AMC clients in India. In the issuer solutions segment, we acquired 593 corporate clients. The investor folios serviced by us increased to 110 million in FY 2022-23, up by 7.49% Y-o-Y. We secured our first contract for Datalake solutions with one of India's largest wealth managers. During the year, we launched our digital onboarding solutions for AIF and PWM clients.

We managed India's largest public issue offer of Life Insurance Corporation of India and won the prestigious Asia-Pacific Stevie Award (Gold) for Innovation in Digital Transformation-Financial Services Industries for “Digitally transforming the IPO subscription model”. Our market share, in NSE 500 companies, improved to 38% in March 2023 (37% in March 2022), based on the number of clients, 42% in March 2023 (40% in March 2022), based on the number of investor folios, and 47% in March 2023 (45% in March 2022) based on the market capitalization.

<sup>1</sup>AAUM represent average assets under management of the last quarter of the period

In the case of international investor solutions, we grew our client base to 40 clients as of March 31, 2023 compared to 32 clients in March 2022. During the year, we won our maiden client in Canada to provide fund administration services. We won our maiden fund administration services contract in Singapore in April 2023 as well. Moreover, we launched our Gift City operations and have acquired eight AIF clients with 13 AIF funds to offer RTA, FA and other digital solutions. We received in-principle clearance from Thailand's Securities & Exchange Commission for setting-up operations and are in the process of securing approval from the Indian regulator before starting operations.

In the AIF, PWM and PMS segment, we acquired 67 new clients with 143 new alternative funds. AAUM in March 2023 was at ₹ 614.69 billion, up by 21.80% Y-o-Y. Our market share, as of March 31, 2023, improved to 37% compared to 30% in March 2022 (based on the number of AIFs registered with SEBI).

Through Hexagram, we acquired four new clients to offer fund accounting platform solutions. Besides, Hexagram's 'mPower' fund accounting platform has been a huge success for KFinTech empowering our offerings to offer fund administration solutions including the fund accounting platform to global AIF clients. The mPower competence has been pivotal in winning mandates in Canada and Singapore.

In case of the NPS segment, we acquired 209,247 new subscribers and 512 new corporate clients. Overall subscriber base was at 0.96 million, up by 27.99% Y-o-Y. As of March 31, 2023, our market share had improved to 7%, based on our overall subscribers' base. In terms of new subscribers' additions, our market share was at 15%. We launched a new product 'Futur' for our corporate clients. It has also been an eventful year for the NPS segment, as we completed the phase 1 transition of subscribers from the Madhya Pradesh State Government to our platform.

During the year, we made an investment of 25.63% in India's first account aggregator player, FPSIPL ('OneMoney'), which had more than 40% market share as on March 31, 2023. In April 2023, we also acquired 100% stake in WebileApps to enhance our technology competence for solutions around UI/UX, artificial intelligence, machine learning and other product developments.

### Business Outlook

Increased penetration, awareness, and financial literacy are anticipated to propel the growth of the financial asset market in the coming years. KFinTech is well positioned to capitalize on the expanding industry opportunity, resulting

in a sustainable growth trajectory. Our business model relies heavily on the retention and expansion of our existing clientele. KFinTech intends to continue retaining clients in the future by providing outstanding services and a great user experience. Additionally, we intend to execute acquisitions to expand our platform and services and accelerate our development by capitalizing on our market access. We are a technology-driven financial services Company that offers comprehensive services and solutions to the capital markets ecosystem. Our comprehensive policy framework consists of a risk management policy, business continuity plan, a wind-down plan, and data access and data protection policies. We intend to continue making substantial investments in technology to automate processes, improve our systems, and expand our risk management capabilities in order to enhance contractual and regulatory compliance.

### Internal Controls

Our Company is responsible for establishing and maintaining adequate internal control measures that are commensurate with the size and complexity of our operations. Our internal audit functions evaluate the adequacy and efficacy of internal systems on a continuous basis to ensure that business units comply with our policies, compliance requirements, and internal guidelines. Our Company has designed an effective internal financial reporting and control system to record financial and operational data in accordance with all applicable internal controls and other regulatory compliance requirements. Internal and Statutory Auditors of our Company conduct periodic reviews of the internal control systems to ensure that day-to-day operations are conducted with minimal risk of fraud or other discrepancies.

The Audit Committee is responsible for reviewing the conclusions of both the Internal Auditor and the Statutory Auditor. It guarantees the continued adequacy and effectiveness of internal controls. In addition, the Board supervises the Audit Committee's investigation and ensures that prompt and proactive steps are being taken to limit the risk and rectify the situation.

### Risk and Mitigation Strategies

Our Company recognizes that risk is inherent to all business activities and that effective risk management is crucial to its immediate and long-term success. Our Company has outlined key duties to identify, assess, manage, monitor, and report on key risk areas throughout the organization. We have established a comprehensive risk management policy in order to maintain procedures and systems that enable us to effectively identify, monitor, control, and respond to these risks. However, if our risk management efforts are ineffective, we may incur losses that have a negative impact on our operating results and financial position. Any future expansion and diversification

of our services will necessitate the ongoing improvement of our risk management policy and internal controls. Our Company's recognized risks are as follows:

- **Technology Risk:** Our success depends on the development of technology platforms and applications in order to conduct our business. If we are unable to meet the needs of our clients or adapt to technological advancements, our business may suffer.

**Mitigation Strategy:** Our Company is taking measures to ensure the adoption of cutting-edge technology and to meet the needs of its customers. Our Company's existing technological infrastructure for asset managers across mutual funds, alternatives, wealth management, and pensions, as well as issuers, enables them to offer curated solutions to clients in multiple domains. To ensure the continuity of its business plans, our Company uses third-party service providers for its data center in Hyderabad and disaster recovery center in Bengaluru. In addition, since the majority of value-added products and services are customized based on the industry in which the client operates, offering curated solutions can assist them in expanding our market.

- **Tax-related Risk:** Any changes in tax regulations in India and other countries in which our Company has a significant presence could have a negative impact on our Company's effective tax rate.

**Mitigation Strategy:** Our Company's strategy for mitigating its tax risk is to adopt the most recent tax developments in various countries and implement appropriate tax planning strategies in response to changes in tax laws.

- **Regulatory Risk:** Our Company operates in a growing number of countries and industry sectors, thereby increasing the risk of non-compliance with regulatory standards, which is vital to its operations.

**Mitigation Strategy:** The global regulatory compliance structure of our Company is intended to identify, evaluate, mitigate, and monitor regulatory risks affecting our Company. Regulatory assessments are conducted and exhaustive protocols are maintained to ensure compliance. If necessary, mitigation plans are implemented to address any discovered noncompliance.

- **Business Continuity Risks:** In a complex and rapidly changing global risk landscape, our Company's reputation as a prominent technology business is determined by its threat resilience and capacity to effectively respond to disruptive events. If such risk adherence is not ensured, the continuity of our operations across clients, delivery sites,

and facilitating functions might face a risk to business continuity.

**Mitigation Strategy:** Our Company is working to make resilience an intrinsic part of its business model, seeking to design resilience into its work, workforce, workspace, business operations, technology, supply chain, and leadership.

- **Foreign Exchange Risk:** Approximately, 10.70% of our Company's revenue comes from clients located outside of India; as a consequence, our Company's revenue is realized in foreign currencies. Therefore, our Company is exposed to fluctuations in foreign exchange rates.

**Mitigation Strategy:** The goal of our Company's foreign risk management is to manage and limit exposures to market risk within acceptable limits while simultaneously maximizing returns.

## Information Technology

Our information technology security program is tailored to the requirements of our clients, who entrust us with their sensitive information. Our information security program includes a dedicated information and cybersecurity team that provides oversight and guidance to our information security program's measures, tools, and processes, which are designed to prevent information and cyber-security issues and improve overall information and cybersecurity resilience. We take proactive measures to ensure that our systems are adequately protected against external threats, such as conducting regular security awareness training for our employees and providing them with guidelines for protecting and using private and sensitive information pertaining to our Company, its investors, and its clients. We also conduct periodic vulnerability assessments. In addition, a cyber-security and resilience policy has been implemented. As of March 31, 2023, our information technology team consisted of 769 engineers.

## Human Resources

We have adopted a balance of people-centric policies, practices, and benefits such as Equal Employment Opportunity, PoSH (Prevention of Sexual Harassment), Leave Policy, Enhanced Mediciam, Parental Mediciam, Health and Well Being, Crèche Facilities, Transgender Policy, Hybrid Working Model, Annual Appraisal System, LTIPs (Long-Term Incentive Plan), ESOPs (Employee Stock Ownership Plan), and Grievance Redressal Policy in order to create and maintain a collaborative and amicable workplace. We provide our employees with performance-based incentives and benefits, as well as conduct periodic employee engagement programs.

As of March 31, 2023, we had hired approximately 630 employees through a third-party vendor. As required, these

skilled and semi-skilled contract workers are deployed across all of our enterprises. Our workforce is diverse and inclusive, as our employees come from various age groups and have worked in a variety of industries for organizations and multinational corporations. We had 5,229 employees as of March 31, 2023, with most of them headquartered in India.

### ESG rating

ESG standards are gradually shaping the operational framework for businesses across the country. The importance of environmental awareness has been escalating as risks to health, lifestyle, and the economy are being more accurately measured. Social disparities, such as economic inequalities, gender biases, and social class divisions, have become contentious political issues. Governance practices have also received increased scrutiny, frequently due to their absence, and those who fail or are found to be falling short have decreasing chances of avoiding scrutiny. A Company's exposure to long-term environmental, social, and governance risks is measured by an ESG rating. These risks, which include energy efficiency, worker safety, Board independence and financial implications. Our Company received an ESG rating of 'A' for the financial year ended 2021-22. The ESG rating for the financial year 2022-23 is under assessment.

### Corporate Social Responsibility (CSR)

Our CSR initiatives are being focused on a variety of areas, including healthcare, the development of art and culture, the education of underprivileged children, charitable contributions and financial assistance, and the promotion of employment and improvement of vocational skills. During FY 2022-23, KFinTech effectively integrated economically beneficial services and initiatives into its business model and corporate culture. Our Company ensured that all CSR activities contributed to the overall growth of society in terms of social, economic, and environmental aspects, thereby creating a positive impact. Our Company's CSR vision is centered on generating societal value in the communities where we operate. KFinTech has been

providing support to the younger generation in excelling in their school education, fostering innovation, developing technical skills, and promoting financial literacy. During FY 2022-23, our Company has undertaken various initiatives to make a positive impact. It included the following:

- Providing sports equipment to Jinnaram Boys' School to promote physical activities for all children, improving their mental well-being, autonomy, and self-esteem, thereby enhancing the overall performance within the school premises.
- Equipping Fine Arts college students with the necessary materials for the BIO International conference, where they showcased their talent and skills and received multiple awards.
- Supplying hygiene needs to a girl's school to promote dignity, safety, and protect students from infectious diseases while preventing disease transmission.
- Undertaking the TNC (The Nature Conservancy) project, which focuses on eco-restoration activities in the Satpura Tiger Reserve, enhancing conservation efforts and human-wildlife coexistence.

### Cautionary Statement

Certain statements that may be made or discussed in this release may be forward-looking statements and/or based on management's current expectations and beliefs concerning future developments and their potential effects upon KFin Technologies Limited. The forward-looking statements are not a guarantee of future performance and involve risks and uncertainties and there are important factors that could cause actual results to differ, possibly materially, from expectations reflected in such forward-looking statements. KFin Technologies Limited does not intend, and is under no obligation, to update any forward-looking statement made in this release.

# Board's Report

To  
**The Members,**  
**KFin Technologies Limited**

Your Directors have immense pleasure in presenting the 6<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2023.

## FINANCIAL RESULTS

The Company's financial performance (Standalone and Consolidated) for the financial year 2022-23 is summarised below:

(₹ Millions)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Operations	6,964.50	6,247.09	7,200.27	6,395.07
Other Income	170.40	89.17	174.94	60.57
Profit for the year before Finance cost, Depreciation and exceptional items	3,134.70	2,966.25	3,155.30	2,939.08
Less: Finance Costs	106.12	528.31	106.44	528.83
Less: Depreciation and Amortization Expense	434.48	361.64	466.68	370.25
Profit before Exceptional Items	2,594.10	2,076.30	2,582.18	2,040.00
Less: Exceptional Item	-	-	-	-
Profit Before Tax	2,594.10	2,076.30	2582.18	2,040.00
Less: Tax expenses	631.57	546.16	624.82	554.51
Profit for the year	1962.53	1,530.14	1,957.36	1,485.49
Other Comprehensive Income	(4.78)	(7.68)	0.02	(5.47)
Total Comprehensive Income for the year	1,957.75	1,522.46	1,957.38	1,480.02

The above figures are extracted from the Standalone and Consolidated Financial Statements prepared in accordance with accounting principles generally accepted in India as specified under Sections 129 and 133 of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014, as amended and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India.

The Financial Statements as stated above are available on the Company's website at <https://investor.kfintech.com/annual-reports/>.

## DIVIDEND

In order to conserve the resources for future growth of the Company, the Board of Directors have not declared any dividend for the year under review.

The Board of Directors of the Company have approved a Dividend Distribution Policy in line with Regulation 43A of SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). This has been uploaded on the Company's website at [https://investor.kfintech.com/wp-content/uploads/2022/11/KFintech\\_Dividend-Distribution-Policy.pdf](https://investor.kfintech.com/wp-content/uploads/2022/11/KFintech_Dividend-Distribution-Policy.pdf).

## RESERVES

During the year under review, no amount was transferred to any reserve.

## INITIAL PUBLIC OFFER AND LISTING

During the year under review, the Company has completed its Initial Public Offer of 40,983,606 equity shares of face value of ₹ 10 each for cash at a price of ₹ 366 per equity share (including share premium of ₹ 356 per equity share) aggregating to ₹ 15,000 million ("the Offer") comprising of an offer for sale of 40,983,606 equity shares aggregating to ₹ 15,000 million by General Atlantic Singapore Fund Pte. Ltd. The Offer was

open for public from December 19, 2022, to December 21, 2022. The Offer was oversubscribed, and the equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited effective from December 29, 2022.

### SHARE CAPITAL

The paid-up equity share capital of the Company at the beginning of the financial year was ₹ 1,675,688,830/-. During the year, the Company issued 1,659,816 new equity shares to the employees of the Company under KFin Employee Stock Option Plan 2020. As a result, the paid-up equity share capital of the Company increased to ₹ 1,692,286,990/-.

The Non-Convertible Redeemable Preference Shares of the Company at the beginning of the financial year was ₹ 200,000/- (Rupees Two Lakh only). During the year under review, no new Preference Shares were issued by the Company.

### STATE OF AFFAIRS/ REVIEW OF OPERATIONS (STANDALONE)

During FY23, the Company achieved Revenue from Operations of ₹ 6,964.50 Million as against ₹ 6,247.09 Million in FY22, a growth of 11.48 %.

The Profit before tax, finance cost, depreciation & amortization and exceptional items during the year stood at ₹ 3,134.70 Million, representing margin to sales of 45.01%. The Company's Profit before tax was ₹ 2,594.10 Million in FY23 as compared to ₹ 2,076.30 Million in FY22. The Company earned Other income of ₹ 170.40 Million during FY23 as compared to ₹ 89.17 Million in FY22 (mainly from dividend income from its investment and interest income on income tax refund). Profit after tax during FY23 was ₹ 1,962.53 Million as against 1,530.14 Million in the previous year, a growth of 28.26%. The effective tax rate for FY23, including provisions for deferred tax was 24.35%, as compared to an effective tax rate of 26.30% during FY22.

### STATE OF AFFAIRS/ REVIEW OF OPERATIONS (CONSOLIDATED)

During FY23, the Company achieved Revenue from Operations of ₹ 7,200.27 Million as against ₹ 6,395.07 Million in FY22, a growth of 12.59%.

The Profit before tax, finance cost, Depreciation & amortization and exceptional items during the year stood at ₹ 3,155.30 Million, representing margin to sales of 43.82%. The Company's Profit before tax was ₹ 2,582.18 Million in FY23 as compared to ₹ 2,040.00 Million in FY22. The Company earned Other income of ₹ 174.94 Million during FY23 as compared to 60.57 Million in FY22 (mainly from dividend income from its investments). Profit After Tax during FY23 was ₹ 1,957.36 Million against ₹ 1,485.49 Million in the previous year, a growth of 31.77 %. The effective tax rate for FY23, including provisions

for deferred tax was 24.20%, as compared to an effective tax rate of 27.18% during FY22.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Listing Regulations, forms part of the Annual Report.

### BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In terms of Regulation 34(2)(f) of Listing Regulations, Business Responsibility and Sustainability Report (BRSR) forms part of the Annual Report.

### CORPORATE GOVERNANCE REPORT

A Report on Corporate Governance along with the Compliance Certificate from the Secretarial Auditors forms part of the Annual Report.

The Board of Directors of the Company has adopted a Code of Conduct and the same has been hosted on the Company's website at [https://investor.kfintech.com/wp-content/uploads/2022/07/KFintech\\_Code-of-Conduct-for-Directors-and-Senior-Management.pdf](https://investor.kfintech.com/wp-content/uploads/2022/07/KFintech_Code-of-Conduct-for-Directors-and-Senior-Management.pdf). The Directors and senior management personnel have affirmed their compliance with the Code for the year ended March 31, 2023.

### KFIN EMPLOYEE STOCK OPTION PLAN 2020 (ESOP 2020)

The Company has obtained a certificate from D V Rao & Associates, Company Secretaries, Secretarial Auditor of the Company, confirming that ESOP 2020 has been implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. This certificate will be available for inspection by members at the ensuing Annual General Meeting.

The details as required to be disclosed under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are placed on the Company's website at <https://investor.kfintech.com/esop/>

### HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Post the Initial Public Offer (IPO) of the Company, General Atlantic Singapore Fund Pte. Ltd. ceased to be holding Company of the Company as per the provisions of the Act, however, General Atlantic Singapore Fund Pte. Ltd. continues to be the promoter of the Company.

As on March 31, 2023, the Company has six subsidiaries as under: -

#### **KFin Services Private Limited (“KSPL”)**

KSPL was incorporated on January 6, 2020, as a private limited company with the Registrar of Companies, Telangana at Hyderabad. KSPL is authorised, by its memorandum of association, to carry on the business of an account aggregator (“AA”) as defined in the Master Direction- Non Banking Financial Company – AA (Reserve Bank) Direction, 2016, as amended from time to time. KSPL is not engaged in any active business.

#### **Hexagram Fintech Private Limited (“Hexagram”)**

Hexagram was incorporated on July 15, 2020, as a private limited company with the Registrar of Companies, Karnataka at Bangalore. Hexagram is engaged in the business of software development as authorised by its memorandum of association.

#### **KFin Global Technologies (IFSC) Limited (“KGTL”)**

KGTL was incorporated on June 28, 2022, as a public limited company with the Registrar of Companies, Gujarat at Ahmedabad. KGTL is authorised, by its memorandum of association, to carry on the business as an IFSC unit in accordance with the International Financial Services Centres Authority Act, 2019, to act as an intermediary as per such regulations, circulars and guidelines issued by IFSCA, as may be amended from time to time, and to act as a service provider as per the framework for enabling ancillary services and/ or fintech entity, issued by IFSCA, as may be amended from time to time. KGTL is not engaged in any active business.

#### **KFin Technologies (Bahrain) W.L.L. (“KFin Bahrain”)**

KFin Bahrain was incorporated as a limited company in Kingdom of Bahrain with the Ministry of Industry, Commerce and Tourism under the laws of Bahrain on January 27, 1998. KFin Bahrain is engaged in the business of other activities auxiliary to financial service activities, *i.e.* fund administrator, as authorised by its charter documents.

#### **KFin Technologies (Malaysia) SDN. BHD. (“KFin Malaysia”)**

KFin Malaysia was incorporated as a private company under the laws of Malaysia on March 8, 2016. KFin Malaysia is engaged in the business of transfer agency, back office services outsourced by market intermediaries and fund managers as authorised by its memorandum of association.

#### **Hexagram FinTech SDN. BHD. (“Hexagram Malaysia”)**

Hexagram Malaysia was incorporated as a private company under the laws of Malaysia on October 19, 2016. Hexagram

Malaysia is engaged in the business of information technology products and consultancy services as authorised by its constitution.

The Company has formulated a Policy on material subsidiaries of the Company. The said policy is available on the website of the Company at [https://investor.kfintech.com/wp-content/uploads/2022/07/KFintech\\_Material-Subsidiaries-Policy.pdf](https://investor.kfintech.com/wp-content/uploads/2022/07/KFintech_Material-Subsidiaries-Policy.pdf).

#### **Associate Company**

#### **Fintech Products and Solutions (India) Private Limited (“FPSIPL”)**

FPSIPL was incorporated on May 19, 2016 as a private limited company with the Registrar of Companies, Hyderabad. FPSIPL, is in the business of providing technology solutions for the BFSI sector.

#### **PERFORMANCE OF SUBSIDIARY COMPANIES**

A statement providing details of performance, contribution to the overall performance of the Company and salient features of the financial statements of the Subsidiary Companies, is provided as Annexure to the consolidated financial statement and therefore, not repeated in this Report to avoid duplication.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the provisions of the Act and Listing Regulations read with Ind AS-110-Consolidated Financial Statements, the Consolidated Audited Financial Statements form part of the Annual Report.

The Audited Financial Statements including the Consolidated Financial Statements of the Company have been uploaded on the website of the Company as per Section 136 of the Act at <https://investor.kfintech.com/annual-reports/>.

The individual Standalone Financial Statements of all Subsidiaries have been uploaded on the website of the Company at <https://investor.kfintech.com/subsidiaries/>.

A copy of separate Audited Financial Statements in respect of the subsidiaries will be provided to any shareholder of the Company who requests for it and the said annual accounts of the Company and subsidiaries will also be kept open for inspection at the Registered Office of the Company.

#### **BOARD OF DIRECTORS, ITS MEETINGS, EVALUATION ETC.**

##### **Board Meetings**

The Board of Directors of the Company met twelve times during the year on May 02, 2022, June 06, 2022, August 17,

2022, September 28, 2022, November 17, 2022, November 28, 2022, December 10, 2022, December 15, 2022, December 22, 2022, February 10, 2023, February 22, 2023, and March 31, 2023, respectively.

### Formal Annual Evaluation

In compliance with the Act and Regulation 17 and other applicable provisions of the Listing Regulations, the performance evaluation of the Board, its Committees and of the Directors was carried out during the year under review.

### Manner of effective evaluation

The Company has laid down evaluation criteria separately for the Board, its Committees and the Directors in the form of questionnaire.

### Evaluation of Directors

The criteria for evaluation of Directors include parameters such as attendance, acquaintance with business, communication inter se between board members, effective participation, Industry knowledge, compliance with code of conduct, focus on core values, vision and mission of the Company, etc.

### Evaluation of Board and its Committees

The criteria for evaluation of Board include whether Board meetings were held in time, all items which were required as per law to be placed before the Board were placed or not, whether the same have been discussed and appropriate decisions were taken, adherence to legally prescribed composition and procedures, timely induction of additional/ women Directors and replacement of Board members/Committee members, whenever required, and whether the Board facilitates the independent directors to perform their role effectively.

The criteria for evaluation of Committee include taking up roles and functions as per its terms of reference, independence of the Committee, whether the Committee has sought necessary clarifications, information and explanations from management, internal and external auditors, etc.

Based on such criteria, the evaluation was done for each Director, Committees and the Board of Directors and the observations of the Directors were discussed and presented to the Chairperson of the Board. The performance evaluation of Non-Independent Directors, namely, Mr. Vishwanathan Mavila Nair, Mr. Venkata Satya Naga Sreekanth Nadella, Mr. Sandeep Achyut Naik, Mr. Shantanu Rastogi, Mr. Srinivas Peddada, Mr. Jaideep Hansraj, and the entire Board was carried out.

The evaluation of performance of the Independent Directors, namely, Mr. Prashant Saran, Ms. Sonu Halan Bhasin and Mr. Kaushik Mazumdar was done.

The Directors expressed their satisfaction with the evaluation process. Performance evaluation of the Board, its various Committees and Directors including Independent Directors was found satisfactory.

### Board of Directors

Mr. Sreekanth Nadella was appointed as the Managing Director of the Company effective from June 6, 2022. Except this, there was no change in the composition of the Board of Directors during the year under review.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Jaideep Hansraj and Mr. Srinivas Peddada retire by rotation at the ensuing annual general meeting. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, have recommended their re-appointment to the Shareholders for their approval.

### Independent Directors

The Company has 3 Independent Directors, namely, Mr. Prashant Saran, Ms. Sonu Halan Bhasin and Mr. Kaushik Mazumdar.

Ms. Sonu Halan Bhasin and Mr. Kaushik Mazumdar were appointed as an Additional Director (Non-Executive, Independent) on the Board of the Company by the Board of Directors with effect from November 16, 2018, for a period of five (5) consecutive years. The members of the Company had at their extraordinary general meeting held on November 16, 2018, approved the said appointment, and they hold office as an Independent Director up to November 15, 2023.

### Declaration by Independent Directors

The Company has received declaration of independence in terms of Section 149 (6) and (7) of the Act and as per the Listing Regulations.

### Company's Policy on Directors' Appointment and Remuneration etc.

The Company has devised, *inter alia*, a policy on Director's appointment and Remuneration including Key Managerial Personnel and other employees. This policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, while considering their appointment as Directors of the Company and that remuneration is directed towards rewarding performance based on Individual as well as Organizational achievements and Industry benchmark.

There has been no change in the policy during the year under review. The aforesaid policy is available on the website of the Company at [https://investor.kfintech.com/wp-content/uploads/2022/07/KFintech\\_Remuneration-Policy.pdf](https://investor.kfintech.com/wp-content/uploads/2022/07/KFintech_Remuneration-Policy.pdf).

## Familiarization Programme for Independent Directors

The Company has adopted a framework, duly approved by the Board of Directors for Familiarization Programmes for Independent Directors. The objective of the framework is to ensure that the Independent Directors have a greater insight into the business of the Company, enabling them to contribute more effectively in decision making.

During the year under review, the Company has conducted Familiarization Programme on Business Unit Presentation for Independent Directors.

The details of Familiarization Programme have been uploaded on the website of the Company at [https://investor.kfintech.com/wp-content/uploads/2023/05/KFintech\\_Familiarization-Programme-for-Independent-Directors-1.pdf](https://investor.kfintech.com/wp-content/uploads/2023/05/KFintech_Familiarization-Programme-for-Independent-Directors-1.pdf)

## Key Managerial Personnel

There was no change in the Key Managerial Personnel of the Company during the year under review except as disclosed above.

## AUDIT COMMITTEE

The Audit Committee comprises as under:

Sr. No.	Full Name	Designation	Category
01	Mr. Kaushik Mazumdar	Independent Director	Chairperson
02	Mr. Prashant Saran	Independent Director	Member
03	Ms. Sonu Halan Bhasin	Independent Director	Member
04	Mr. Shantanu Rastogi	Non-Executive Nominee Director	Member

During the year under review, all recommendations made by the Audit Committee were accepted by the Board.

## DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT PLAN

Risk management broadly includes the ongoing identification, measurement, assessment, prioritization, and mitigation of risks followed by integrated and strategic application of relevant resources to minimize, monitor and control the probability or impact of adverse or negative events from occurring.

Risk taking is an integral part of the business. The Company is committed to proactively identify and manage business risks to facilitate achievement of business objectives.

The management teams across businesses and functions analyse risks in their operations and related to their strategic objectives, at least annually, considering bottom-up risk assessment, an external outlook and top management input.

In accordance with the provisions of Listing Regulations, the Board has formed a Risk Management Committee and formulated a Risk Management Policy. The Risk Management Committee conducts integrated risk and performance reviews along with the Senior Executives engaged in different business divisions and functions. The Committee reviews identified risks and the effectiveness of the developed mitigation plans to provide feedback and guidance on emerging risks.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has entered into various Related Party Transactions during the financial year which were in the ordinary course of business and made on terms equivalent to those that prevail in arm's length transactions.

During the year, the Company had not entered into any contract / arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions or which is required to be reported in Form No. AOC-2 in terms of Section 134(3) (h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

The Company has formulated a policy on dealing with Related Party Transactions. The same is available on the Company's website at [https://investor.kfintech.com/wp-content/uploads/2022/11/KFintech\\_RPT-Policy.pdf](https://investor.kfintech.com/wp-content/uploads/2022/11/KFintech_RPT-Policy.pdf).

The details of all the transactions with Related Parties are provided in the accompanying financial statements. Members may refer to Note 40 to the Financial Statements which sets out related party disclosures pursuant to IND AS-24.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

As part of its CSR initiatives, during the year under review, the Company made contribution towards the following:

Sr. No.	CSR Project / Activity	Amount Spent (₹ In Million)
01	School Transformation Program (Boys)	2.20
02	College Transformation Program (Women)	15.88
03	Hygiene and Sanitation	1.02
04	TNC - The Nature Conservancy Centre - Satpura Tiger Reserve	1.16

During the year, the Company has spent around 2.01% of the average net profits of last three financial years on CSR activities. CSR committee comprises as under:

Sr. No.	Full Name	Designation	Category
01	Ms. Sonu Halan Bhasin	Independent Director	Chairperson
02	Mr. Prashant Saran	Independent Director	Member
03	Mr. Sandeep Naik	Non-Executive Nominee Director	Member

### COMPANY'S CSR POLICY

The Company considers CSR as a process by which an organization thinks about and evolves its relationships with stakeholders for the common good, and demonstrates its commitment in this regard.

The CSR policy formulated by the CSR Committee and approved by the Board, remains unchanged. This has been uploaded on the Company's website at [https://investor.kfintech.com/wp-content/uploads/2022/11/KFintech\\_CSR-Policy.pdf](https://investor.kfintech.com/wp-content/uploads/2022/11/KFintech_CSR-Policy.pdf).

An Annual Report on CSR activities in terms of Section 134(3) (o) of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014 is attached herewith as 'Annexure 3' to this Report.

### ANNUAL RETURN

Pursuant to Section 92(3) of the Act, as amended, draft annual return in Form MGT-7 is placed on the website of the Company at <https://investor.kfintech.com/annual-returns/>.

### WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has established a Whistle Blower (Vigil) Mechanism and formulated a Whistle Blower/ Vigil Mechanism Policy. The details of the Policy is explained in the Corporate Governance Report, which forms part of this Annual Report and also hosted on the website of the Company at [https://investor.kfintech.com/wp-content/uploads/2022/07/KFintech\\_Whistle-Blower-and-Vigil-Mechanism-Policy.pdf](https://investor.kfintech.com/wp-content/uploads/2022/07/KFintech_Whistle-Blower-and-Vigil-Mechanism-Policy.pdf).

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

The Company received a Show Cause Notice ("SCN") from the Securities and Exchange Board of India ("SEBI") related to its issuer services business wherein SEBI pointed out certain observations on April 5, 2022.

It was related to an industry issue due to various regulatory changes brought in by SEBI in short period of time. To conclude

the matter early, the Company instead of going for adjudication proceedings, decided to settle the matter with SEBI. Accordingly, the SEBI issued a settlement order dated November 4, 2022 ("the Order") without admitting or denying the findings of fact and conclusions of law.

There are no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

### AUDITORS

B S R & Associates LLP, Chartered Accountants (Firm Registration No. 116231W/W-100024) were appointed as Statutory Auditors of the Company at the annual general meeting held on July 02, 2019, and they will be completing their term of appointment at the conclusion of the ensuing annual general meeting.

Further the Board of Directors subject to the approval of the shareholders, approved appointment of B S R and Co, Chartered Accountants (Firm Registration No. 128510W) as the Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of the ensuing 6th AGM till the conclusion of the 11th AGM to be held in the year 2028 at such remuneration plus out of pocket expenses and applicable taxes, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

### AUDITORS' REPORT

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Statutory Auditor's Report for the financial year 2022-23 does not contain any qualifications, reservations, adverse remarks or disclaimer and no frauds were reported by the Auditors to the Audit Committee or the Board, under sub-section (12) of Section 143 of the Act.

### COST RECORDS AND AUDIT

Under Section 148 of the Act, the Central Government has prescribed maintenance and audit of cost records vide the Companies (Cost Records and Audit) Rules, 2014 to such class of companies as mentioned in the Table appended to Rule 3 of the said Rules. CETA headings under which Company's products are covered are not included in the said Table. Hence, during the year under review, maintenance of cost records and cost audit provisions were not applicable to the Company.

### INTERNAL AUDIT

Ernst & Young LLP were appointed as the Internal Auditors of your Company for the Financial Year 2022-23. The Internal Audit plan is approved by the Audit Committee at the beginning of the year and the audit is oriented towards the review of internal

controls in the Company's business operations including Infosec / Cyber review and review of related party / shared services transactions. The Audit Committee is presented with quarterly updates on the audit along with a summary of audit observations, if any and follow-up actions thereon.

### SECRETARIAL AUDIT

Secretarial Audit Report dated May 29, 2023, issued by D V Rao & Associates, Company Secretaries, Secretarial Auditor, is attached hereto as '**Annexure 2**' to this Report. The Secretarial Audit Report does not contain any qualification, reservations, adverse remark or disclaimer by the Secretarial Auditor.

### ANNUAL SECRETARIAL COMPLIANCE REPORT

The Company has undertaken an audit for the Financial Year 2022-23 for all applicable compliances as per Securities and Exchange Board of India and circulars/guidelines issued thereunder. The Annual Secretarial Compliance Report pursuant to SEBI Circular No. CIR/CFD/ CMD1/27/2019 dated February 08, 2019, has been obtained from D V Rao & Associates, Company Secretaries, Secretarial Auditor of the Company.

### DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards read with requirements set out under Schedule III to the Act have been followed and there are no material departures from the same;
- b) we 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 of the Company for that period;
- c) we have taken proper and sufficient care for 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;
- d) we have prepared the annual accounts on a going concern basis;
- e) we have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and are operating effectively; and
- f) we have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### INTERNAL FINANCIAL CONTROLS

The Company has adequate Internal Financial Control Systems commensurate with its size and nature of business. The internal control systems are designed to ensure that the financial statements are prepared based on reliable information. Internal Audit is continuously conducted by Ernst & Young LLP and Internal Audit Reports are reviewed by the Audit Committee on quarterly basis.

### PARTICULARS OF LOANS GIVEN, GUARANTEES/ SECURITIES PROVIDED AND INVESTMENTS MADE

During the year under review, the Company has not given any loan or provided any guarantee, or any security as covered under Section 186 of the Act. The particulars of investments made are provided in note 7 to the Standalone Financial Statements.

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

The Company has in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at workplace which is in line with the requirements of the Sexual Harassment of women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder ("POSH"). All employees (permanent, contractual, temporary and trainees) are covered under this Policy. The Company has constituted an Internal Committee for its Head Office and branches under Section 4 of the captioned Act. There was one complaint received by these committees during the year under review. The complaint has been addressed by the Committee as per the procedure laid down by the POSH. The Company has filed an Annual Report with the concerned Authority.

### PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The prescribed particulars of employees required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as '**Annexure 1**' and forms a part of this report.

The information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 pertaining to the top ten employees in terms of remuneration drawn and their other details also form part of this report. However, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to [investorrelations@kfintech.com](mailto:investorrelations@kfintech.com)

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign Exchange Earnings and outgo as required under Section 134(3)(m) of the Act read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished as below:

### A. Conservation of Energy:

The Company uses electric energy for its equipment such as air conditioners, computer terminals, lighting and utilities on the work premises. All possible measures have been taken to conserve energy.

Sr. No.	Particulars	Details
(i)	The steps taken or impact on conservation of energy	The company's operation does not consume a significant amount of energy.
(ii)	The steps taken by the company for utilizing alternate sources of energy.	Not applicable, in view of comments in clause (i)
(iii)	The capital investment in energy conservation equipment	Not applicable, in view of comments in clause (i)

### B. Technology Absorption, Adaptation and Innovation:

Sr. No.	Particulars	Details
(i)	The effort made toward technology absorption	The Company develops in-house applications to bring out innovative technology solutions for the clients and ecosystem it services.
(ii)	The benefits derived like product improvement cost reduction product development or import substitution	The Company launched upgraded products in the areas of issuer solutions, data analytics and other value added services. The Company continues to invest in technology upgradation to meet the evolving needs of the industry.
(iii)	In case of imported technology (important during the last three years reckoned from the beginning of the financial year)	
	(a) the details of technology imported	
	(b) the year of import;	Not applicable
	(c) whether the technology has been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	The expenditure incurred on research and development	Not applicable

### C. Foreign Exchange Earnings and Outgo: (₹ Million)

Particulars	FY 2022-23	FY 2021-22
Inflow	635.76	639.09
Outflow	124.01	56.20

### COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has followed the applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively.

### OTHER DISCLOSURES

- There has been no change in the nature of business of the Company during the year under review.
- No Director of the Company is in receipt of any remuneration or commission from any of its subsidiaries or Holding Company.
- The Company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- The Company has not accepted any public deposit. Accordingly, details related to deposits covered under Chapter V of the Act are not required to be given.
- There has been no issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees' Stock Options Schemes referred to in this Report.

- f) There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016.
- g) There was no instance of one-time settlement with any Bank or Financial Institution.
- h) During the financial year, there has been no revision in the Financial Statements or Board's Report.
- i) The Company has not issued any shares with differential right as to dividend, voting or otherwise.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT**

There were no material changes and commitments, which affected the Company's financial position, between the end of the financial year and the date of this Report.

**ACKNOWLEDGEMENT**

Your Directors wish to place on record their deep sense of appreciation for the co-operation received from the Employees, Customers, Government, Regulatory authorities, Vendors, Banks and last but not least the shareholders for their unstinted support, during the year under review.

On Behalf of the Board of Directors of  
KFin Technologies Limited

**Vishwanathan  
Mavila Nair**

Chairperson  
DIN: 02284165

**Venkata Satya Naga  
Sreekanth Nadella**

Managing Director and CEO  
DIN: 08659728

June 23, 2023 | Mumbai

## ANNEXURE 1 TO THE REPORT OF THE BOARD OF DIRECTORS

### Statement of Disclosure of Remuneration

[Pursuant to Section 197 of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**i. Ratio of remuneration of each Director to the median remuneration of the employees for the Financial Year 2022-23 and the percentage increase in remuneration of each Director, if any, during the Financial Year 2022-23**

Sr. No.	Name	Ratio of remuneration to median remuneration of employees	Percentage increase in remuneration
01	<b>Mr. Vishwanathan Mavila Nair</b> Chairperson of the Board and Non-Executive Director	1 : 50	-
02	<b>Mr. Venkata Satya Naga Sreekanth Nadella,</b> Managing Director and Chief Executive Officer	1 : 133	33.33%
03	<b>Mr. Prashant Saran,</b> Non-Executive Independent Director	1 : 7.5	-
04	<b>Mr. Kaushik Mazumdar,</b> Non-Executive Independent Director	1 : 8.5	-
05	<b>Ms. Sonu Halan Bhasin,</b> Non-Executive Independent Director	1 : 7.5	-

**ii. The percentage increase in remuneration of Chief Financial Officer, Chief Executive Officer, Company Secretary in the Financial Year 2022-23**

Sr. No.	Name	Percentage increase in remuneration
01	<b>Mr. Vivek Mathur,</b> Chief Financial Officer	15%
02	<b>Ms. Alpana Kundu,</b> Company Secretary	37.5%

**iii. The percentage increase in the median remuneration of employees during the Financial Year 2022-23**

The median remuneration of employees during the Financial Year 2022-23 increased by 13.16%.

**iv. The number of permanent employees on the rolls of the Company**

There were 5,127 permanent employees on the rolls of the Company as on March 31, 2023.

**v. Comparison between average percentile increase in salaries of employees (excluding managerial personnel) and percentile increase in managerial remuneration.**

Average percentile increase in salaries of employees other than managerial personnel in FY 2022-23	Percentile increase in managerial remuneration in FY 2022-23	Justification
13.36%	10.34%	The increment given to each individual employee including managerial personnel is based on employees' performance and the Company's overall performance.

**vi. Affirmation that the remuneration is as per the remuneration policy of the Company**

The Company affirms that the remuneration paid is as per the Remuneration Policy of the Company.

## ANNEXURE 2 TO THE REPORT OF THE BOARD OF DIRECTORS

### FORM NO. MR-3

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023

To  
The Members,  
**KFIN TECHNOLOGIES LIMITED**  
**(Formerly KFin Technologies Private Limited)**  
Selenium, Tower B, Plot No - 31 & 32,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad, Rangareddi – 500032, Telangana.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KFIN TECHNOLOGIES LIMITED [CIN: L72400TG2017PLC117649]** (hereinafter called "the Company") for the year ended **31<sup>st</sup> March, 2023**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:

- i) The Companies Act, 2013 ('the Act') and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act): -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the period under review)**
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with the client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the period under review) and**
  - h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not applicable to the Company during the period under review)**
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- vi) The following other laws, rules and regulations as may be specifically applicable to the company:
- Pension Fund Regulatory and Development Authority Act, 2013 and Pension Fund Regulatory and Development Authority (Central Recordkeeping Agency) Regulations, 2015.
  - The International Financial Services Centres Authority Act, 2019 including Rules, Regulations and Guidelines made thereunder.

I have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by the Institute of Company Secretaries of India;
- Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations and Guidelines and standards etc., mentioned above.

### I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Independent Women Director and Independent Directors. The change in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Board meetings were carried out unanimously and there were no dissenting views by the members.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has the following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, regulations, guidelines and standards:

- During the period under review, the Company has made an Initial Public Offer comprising of an offer for sale of 40,983,606 Equity shares of ₹ 10/- each at a premium of ₹ 356/- each aggregating up to ₹ 14,999,999,796/- (Rupees Fourteen Hundred Crores Ninety Nine Lakhs Ninety Nine Thousand Seven Hundred and Ninety Six only).
  - 18,442,623 Equity shares were allotted to Anchor Investors;
  - 17,052,925 Equity Shares were allotted to Qualified Institutional Buyers (except Anchor Investors);
  - 755,320 Equity Shares were allotted to Non-Institutional Bidders; and
  - 4,732,738 Equity Shares were allotted to Retail Individual Bidders.
- The Company had obtained in-principal approvals from National Stock Exchange of India Limited and BSE Limited on 16<sup>th</sup> June, 2022 to list its entire issued, subscribed and fully paid-up equity shares of face value of ₹ 10/- each aggregating to 167,568,883 equity shares.
- The Company's equity shares were listed on the Stock Exchanges viz., National Stock Exchange of India Limited and BSE Limited w.e.f. 29<sup>th</sup> December, 2022.
- The Company had allotted 1,659,816 (Sixteen Lakh Fifty Nine Thousand Eight Hundred and Sixteen) Equity shares on 7<sup>th</sup> February, 2023 under KFin Employee Stock Option Plan 2020 to the eligible employees.
- Mr. Venkata Satya Sreekanth Nadella (DIN: 08659728) was appointed as the Managing Director of the Company for a period of five years with effect from 6<sup>th</sup> June, 2022.

For **D V Rao & Associates**  
 Company Secretaries  
**CS Vasudeva Rao Devaki**  
 Practicing Company Secretary  
 FCS # 8888 | COP # 12123  
 UDIN: F008888E000403361

Date: 29<sup>th</sup> May, 2023  
 Place: Hyderabad

This Report is to be read with my letter which is annexed as **Annexure-A** and forms an integral part of this report.

## 'Annexure-A'

To  
The Members  
**KFIN TECHNOLOGIES LIMITED**  
**(Formerly KFin Technologies Private Limited)**  
Hyderabad

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The compliance by the Company of the applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed by me since the same have been subject to review by statutory auditors and other professionals.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 29<sup>th</sup> May, 2023  
Place: Hyderabad

For **D V Rao & Associates**  
Company Secretaries  
CS Vasudeva Rao Devaki  
Practicing Company Secretary  
FCS # 8888 | COP # 12123 UDIN: F008888E000403361

## ANNEXURE 3 TO THE REPORT OF THE BOARD OF DIRECTORS

### Annual Report on CSR Activities For the Financial Year Ended March 31, 2023

*[Pursuant to Section 135 of the Companies Act, 2013 and Rule 8 of the Companies  
(Corporate Social Responsibility Policy) Rules, 2014*

#### 1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

KFin Technologies Limited ('KFinTech' or 'the Company') has developed a Corporate Social Responsibility Policy (hereinafter to be referred as 'CSR Policy') in alignment with its objective, principles and values, for delineating its responsibility as a socially and environmentally responsible corporate citizen. The Policy lays down the principles and mechanisms for undertaking various programs in accordance with Section 135 of the Companies Act 2013.

It is the Company's philosophy, firm belief, and intent to effectively implement CSR and make a positive difference to society. It recognizes that it cannot do it all; so that if there are choices to be made, bias will be towards doing fewer projects with better outcomes and good impact and will focus initiatives on communities in which the Company lives, operates and particularly forming community whose development is the basic mission of the Company.

#### 2. COMPOSITION OF THE CSR COMMITTEE

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
01	Ms. Sonu Halan Bhasin	Independent Director	Four	Four
02	Mr. Prashant Saran	Independent Director	Four	Four
03	Mr. Sandeep Achyut Naik	Nominee Director	Four	Two

#### 3. WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY

The Composition of the CSR Committee is available at <https://investor.kfintech.com/board-and-committees/>

The CSR Policy approved by the Board are available at [https://investor.kfintech.com/wp-content/uploads/2022/11/KFintech\\_CSR-Policy.pdf](https://investor.kfintech.com/wp-content/uploads/2022/11/KFintech_CSR-Policy.pdf)

The CSR projects approved by the Board are available at [https://investor.kfintech.com/wp-content/uploads/2022/11/KFintech\\_CSR-Projects\\_2022-23.pdf](https://investor.kfintech.com/wp-content/uploads/2022/11/KFintech_CSR-Projects_2022-23.pdf)

#### 4. DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

During the financial year under review, the relevant provisions of the Companies Act, 2013 and the rules made thereunder relating to impact assessment of CSR projects, were not applicable to the Company.

#### 5. DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
01	2021-22	NIL	NIL
02	2020-21	32,000	NIL
03	2019-20	NIL	NIL
<b>Total</b>	<b>32,000</b>	<b>32,000</b>	

## 6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5)

Average net profit of the Company for the previous three financial years is ₹ 1,007.48 Million.

Sr. No.	Particulars	Details
01	Two percent of average net profit of the company as per Section 135(5)	20,150,000
02	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NIL
03	Amount required to be set off for the financial year, if any	NIL
04	Total CSR obligation for the financial year (7a+7b-7c)	20,150,000

## 8. (a) CSR AMOUNT UNSPENT FOR THE FINANCIAL YEAR

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2,02,64,059.54	N/A	N/A	N/A	N/A	N/A

## (b) DETAILS OF CSR AMOUNT SPENT AGAINST ONGOING PROJECTS FOR THE FINANCIAL YEAR

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)		
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	Name	CSR Registration number
Not Applicable													

## (c) DETAILS OF CSR AMOUNT SPENT AGAINST OTHER THAN ONGOING PROJECTS FOR THE FINANCIAL YEAR

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)		
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Location of the project	Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
									Name	CSR Registration number
01	School Transformation Program (Boys)	Promoting education	Yes	Telangana	Medak		2,204,438.36	Yes	N/A	N/A
02	College Transformation Program (Women)	Promoting education	Yes	Telangana	Rajanna Sircilla		15,885,821.18	Yes	N/A	N/A
03	Hygiene and Sanitation	Preventive health care and sanitation	Yes	Telangana	Rajanna Sircilla		1,015,500.00	Yes	N/A	N/A
04	TNC - The Nature Conservancy Centre - Satpura Tiger Reserve	Ecological balance and animal welfare	No	Madhya Pradesh	Hoshangabad		1,158,300.00	No	TNC - The Nature Conservancy Centre	CSR00001862
<b>Total</b>							<b>20,264,059.54</b>			

## (d) Amount spent in Administrative Overheads

NIL

**(e) Amount spent on Impact Assessment, if applicable**

During the financial year under review, the relevant provisions of the Companies Act, 2013 and the rules made thereunder relating to impact assessment of CSR projects, were not applicable to the Company.

**(f) Total amount spent for the Financial Year (8b+8c+8d+8e)**

₹ 2,02,64,059.54 (Rupees Two crore two lakh sixty four thousand and fifty nine & paise fifty four only)

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

Sr. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	20,150,000.00
(ii)	Total amount spent for the Financial Year	20,264,059.54
(iii)	Excess amount spent for the financial year [(ii)-(i)]	114,059.54
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	114,059.54

**9. (a) DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS**

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
01	2021-22						NIL
02	2020-21						NIL
03	2019-20						NIL
<b>Total</b>				<b>NIL</b>			

**(b) DETAILS OF CSR AMOUNT SPENT IN THE FINANCIAL YEAR FOR ONGOING PROJECTS OF THE PRECEDING FINANCIAL YEAR(S)**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting of Financial Year. (in ₹)	Status of the project- Completed / Ongoing.
01	Not Applicable							
02	Not Applicable							
03	Not Applicable							
<b>Total</b>								

**10. CREATION OR ACQUISITION OF CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSET SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR (ASSET-WISE DETAILS)**

Sr. No.	Particulars	Amount (in ₹)
(a)	Date of creation or acquisition of the capital asset(s)	N/A
(b)	Amount of CSR spent for creation or acquisition of capital asset	N/A
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	N/A
(d)	Details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	N/A

**11. REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5)**

Not Applicable

On Behalf of the Corporate Social Responsibility Committee

**Sonu Halan Bhasin**

Chairperson of the CSR Committee

DIN: 02872234

**Venkata Satya Naga Sreekanth Nadella**

Managing Director and CEO

DIN: 08659728

June 23, 2023 | Mumbai

# Corporate Governance Report

## KFINTECH'S PHILOSOPHY ON CODE OF GOVERNANCE

KFin Technologies Limited ("KFinTech" or "Company") believes in adopting the 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 Policy, and the charter of various Committees. The Company's core values are designed and internalized to shape the culture and define the character of our organization. Our converging set of core values is our North Star guiding how we act and how we make decisions. We are, forever, committed to the cause and always act with integrity and in compliance with the law. The values that signify the Company's unwavering commitment to all its stakeholders.

The Company strives to ensure compliance with the various Corporate Governance requirements and practices and considers it as its inherent responsibility to protect the rights of Company's stakeholders and disclose timely, adequate and accurate information regarding the financials and performance, as well as the leadership and governance of the Company.

The Board ensures the strategies adopted to promote the sustainability of the Company and also ensures the Company's compliance with all applicable laws, regulations, governance, guidelines and regulations and establishes the systems to effectively monitor and control compliance across the Company.

This report highlights the Company's practices for the financial year 2022-23.

## BOARD OF DIRECTORS

The Board of Directors of the Company is responsible for overseeing the Corporate Governance framework. The Board adopts strategic plans and policies, monitoring the

operational performance, establishing policies and processes that ensure integrity of the Company's internal controls and risk management. The Board establishes clear roles and responsibilities in discharging its fiduciary and leadership functions and also ensures that the management actively cultivates a culture of ethical conduct and sets the values to which the organization will adhere.

### Composition of the Board

The Company recognizes and embraces the importance of a diverse Board for its success. As on March 31, 2023, the Board consists of nine Directors comprising of an Executive Director, a Non-Executive Director, three Independent Directors, one of whom is a woman Director, and four Non-Executive Nominee Directors. The Chairperson of the Board is a Non-Executive Director who is neither related to any promoter or person occupying management positions at the level of the Board of Directors or at one level below the Board of Directors. There is no relationship between Directors' inter-se.

The composition of the Board of Directors of the Company is in conformity with the provisions of the Companies Act, 2013 ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"). The Board periodically evaluates the need for a change in its composition and size. Detailed profiles of the Directors are available on the website of the Company at <https://investor.kfintech.com/board-and-committees/>

The composition of the Board, category of Directors, attendance of the Directors at the meetings of Board and the last Annual General Meeting, number of other Board of Directors or Committees in which a Director is a member or chairperson, shares held by Directors, as on March 31, 2023, are as under:

Name of Director	Board Meetings during the year		Attendance at the last AGM	Directorships in other Companies		Membership(s) of other Board Committees		Shareholding in KFinTech
	Held	Attended		Chairperson	Member	Chairperson	Member	
<b>Non-Executive Director (Chairperson)</b>								
Mr. Viswanathan Mavila Nair	12	12	Yes	0	2	0	0	103,482
<b>Executive Director (Managing Director and CEO)</b>								
Mr. Venkata Satya Naga Sreekanth Nadella	12	11	Yes	0	0	0	0	617,133
<b>Independent Directors</b>								
Mr. Prashant Saran	12	12	Yes	0	0	0	0	NIL
Mr. Kaushik Mazumdar	12	12	Yes	0	0	0	0	NIL
Ms. Sonu Halan Bhasin	12	12	No	0	7	1	4	NIL

Name of Director	Board Meetings during the year		Attendance at the last AGM	Directorships in other Companies		Membership(s) of other Board Committees		Shareholding in KFintech
	Held	Attended		Chairperson	Member	Chairperson	Member	
<b>Non-Executive Nominee Directors representing General Atlantic Singapore Fund Pte. Ltd., Equity Investor</b>								
Mr. Sandeep Achyut Naik	12	11	Yes	0	1	0	0	NIL
Mr. Shantanu Rastogi	12	12	Yes	0	1	0	1	NIL
Mr. Srinivas Peddada	12	11	Yes	0	0	0	0	50
<b>Non-Executive Nominee Director representing Kotak Mahindra Bank Limited, Equity Investor</b>								
Mr. Jaideep Hansraj	12	06	Yes	0	1	0	0	NIL

**Notes:**

- For the purpose of reckoning Directorships in other Companies, all public limited companies, whether listed or not, have been included and all other Companies including private limited Companies, deemed public Companies, foreign Companies, and Companies under Section 8 of the Act, have been excluded.
- Membership(s) of other Board Committees include membership / chairpersonship of Audit Committee and Stakeholders' Relationship Committee of public limited Companies, whether listed or not.
- No Director of the Company holds any preference shares issued by the Company and the Company has not issued any convertible instruments.

Names of other listed entities where a Director of the Company is a Director and the category of Directorship as on March 31, 2023, is as under:

Name of Director	Name of other Listed Entity	Category of Directorship
Mr. Viswanathan Mavila Nair	None	–
Mr. Venkata Satya Naga Sreekanth Nadella	None	–
Mr. Prashant Saran	None	–
Mr. Kaushik Mazumdar	None	–
Ms. Sonu Halan Bhasin	Sutlej Textiles and Industries Limited	Non-Executive Independent Director
	Whirlpool of India Limited	Non-Executive Independent Director
	Berger Paints India Limited	Non-Executive Independent Director
	Multi Commodity Exchange of India Limited	Non-Executive Independent Director
	Indus Towers Limited	Non-Executive Independent Director
Mr. Sandeep Achyut Naik	None	–
Mr. Shantanu Rastogi	Krishna Institute of Medical Sciences Limited	Non-Executive – Non-Independent Director
Mr. Srinivas Peddada	None	–
Mr. Jaideep Hansraj	None	–

## Board Meetings

The Board meets at least once a quarter to review the quarterly financial results and discuss other business and statutory items on the agenda. Additional meetings are held, as and when necessary. The agenda and detailed notes on agenda along with the relevant annexure for the Board and Committee meetings are disseminated electronically on a real-time basis, by also uploading them on a secured online application. Committees of the Board also meet at least once a quarter before the Board meeting or whenever the need arises for transacting the business. The recommendations of the Committees are placed before the Board for necessary approval and / or noting, as the case may be. The Board periodically reviews updates

on IT projects, proposed acquisitions, business plans and performance, risk management, and other key areas related to the business, as well as the HR initiatives for attracting and retaining talent, employee well-being, and succession planning for senior management etc.

During the financial year under review, twelve meetings of the Board were duly convened and held on May 02, 2022, June 06, 2022, August 17, 2022, September 28, 2022, November 17, 2022, November 28, 2022, December 10, 2022, December 15, 2022, December 22, 2022, February 10, 2023, February 22, 2023, and March 31, 2023, respectively.

## Independent Directors and Familiarization Programmes

Independent Directors are Non-Executive Directors as defined in the Act and LODR Regulations. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as prescribed in the Act and LODR Regulations and that they are independent of the management. Further, the Independent Directors have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained by the Indian Institute of Corporate Affairs and either completed the proficiency test or are exempted from undergoing such test.

The Company has issued formal letters of appointment to the Independent Directors and their appointments are in compliance with the provisions of the Act and LODR Regulations. The terms and conditions of appointment of Independent Directors including their role, responsibilities and duties are available on the website of the Company at <https://investor.kfintech.com/policies-and-codes/>

In compliance with the provisions of the Act and LODR Regulations, a separate meeting of the Independent Directors was held on March 21, 2023, without the presence of non-Independent Directors and members of the management to evaluate the performance of non-Independent Directors, the Chairperson of the Board and the Board as a whole, and to assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Company has adopted a framework, duly approved by the Board of Directors for Familiarization Programmes for Independent Directors. The objective of the framework is to ensure that the Independent Directors have a greater insight into the business of the Company, enabling them to contribute more effectively in decision making. The details of the familiarization programmes conducted by the Company are available the website of the Company at <https://investor.kfintech.com/policies-and-codes/>

## Skills / Expertise / Competence Matrix

Following is the matrix of core skills / expertise / competence as recognized by the Board as required in the context of its businesses and sector(s) for it to function effectively and those actually available with the Board:

Skills / Expertise / Competencies	Mr. Viswanathan Mavila Nair	Mr. Venkata Satya Naga Sreekanth Nadella	Mr. Prashant Saran	Mr. Kaushik Mazumdar	Ms. Sonu Halan Bhasin	Mr. Sandeep Achyut Naik	Mr. Shantanu Rastogi	Mr. Srinivas Peddada	Mr. Jaideep Hansraj
Business and Strategic Leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓
Business Strategies and Mergers & Amalgamations	✓	✓		✓		✓	✓	✓	✓
Information Technology		✓		✓		✓	✓	✓	
Global Business Exposure	✓	✓			✓	✓	✓	✓	✓
Industry Expertise	✓	✓	✓	✓		✓	✓		✓
Risk Management	✓	✓	✓	✓					
Financial Expertise	✓	✓	✓	✓	✓	✓	✓		✓
Human Resource	✓	✓		✓	✓	✓			
Board Governance and Regulatory Compliance	✓	✓	✓	✓	✓	✓	✓	✓	✓

## COMMITTEES OF THE BOARD

The Committees of the Board have been constituted with specific terms of reference as prescribed in the Act, LODR Regulations and other applicable laws. The key proceedings of the meetings of the Committees are briefed to the Board by the respective chairpersons of the Committees, at the subsequent meeting of the Board. The minutes of the meetings of the Committees are also placed before the Board for noting.

The Board has constituted the following statutory Committees in accordance with the Act, LODR Regulations and the Cyber Security and Cyber Resilience framework for Qualified RTAs:

Audit Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee
Risk Management Committee	Stakeholders' Relationship Committee	IT Strategy Committee

The Board has also constituted the following non-statutory Committees with specific purpose:

IPO Committee	Business Development and Strategy Committee
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### Audit Committee

#### Brief description of terms of reference

The terms of reference of the Audit Committee are in line with the provisions of the Act and LODR Regulations and *inter-alia* includes oversight of the Company's financial reporting process; examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible; reviewing, with the management, the quarterly, half-yearly and annual financial statements and auditor's report thereon before submission to the Board for approval; approval or any subsequent modification of transactions of the Company with related parties; scrutiny of inter-corporate loans and investments; evaluation of internal financial controls and risk management systems; discussion with internal auditors of any significant findings and follow up thereon; reviewing the functioning of the whistle blower mechanism; reviewing the utilization of loans and / or advances from/investment by the holding company in the subsidiary exceeding the prescribed thresholds etc.

The Committee mandatorily reviews information such as statement of related party transactions on a quarterly basis; internal audit reports on a quarterly basis and other matters as prescribed in the Act and LODR Regulations. The Committee reviews the tracker on compliance calendar of the terms of reference of the Committee periodically.

## Composition and Attendance of members at the meetings of the Committee

As on March 31, 2023, the Committee comprised of four members (including three Independent Directors), all of whom are financially literate and have experience in financial matters. The Chairperson of the Committee is an Independent Director. During the financial year under review, the Committee met six times on June 06, 2022, September 19, 2022, November 17, 2022, December 14, 2022, February 10, 2023, and March 31, 2023.

The members of the Committee as on March 31, 2023, and the attendance of the members at the meetings of the Committee held during the financial year under review is as under:

Name of Director	Category	Meetings	
		Held	Attended
<b>Mr. Kaushik Mazumdar</b> Independent Director	Chairperson	06	06
<b>Mr. Prashant Saran</b> Independent Director	Member	06	06
<b>Ms. Sonu Halan Bhasin</b> Independent Director	Member	06	04
<b>Mr. Shantanu Rastogi</b> Non-Executive Nominee Director	Member	06	06

The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company.

### Nomination and Remuneration Committee

#### Brief description of terms of reference

The terms of reference of the Nomination and Remuneration Committee are in line with the provisions of the Act and LODR Regulations and *inter-alia* includes formulation of the criteria for determining qualifications, positive attributes and independence of a Director; evaluating the balance of skills, knowledge and experience on the Board; formulation of criteria for evaluation of performance of independent Directors and the Board; devising a policy on Board diversity; analysing, monitoring and reviewing various human resource and compensation matters; reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws; performing such functions as are required to be performed by the Compensation Committee as per the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, etc. The Committee reviews the tracker on compliance calendar of the terms of reference of the Committee periodically.

### Composition and Attendance of members at the meetings of the Committee

As on March 31, 2023, the Committee comprised of three members (including two Independent Directors). The Chairperson of the Committee is an Independent Director. During the financial year under review, the Committee met four times on June 01, 2022, September 07, 2022, December 12, 2022, and March 21, 2023.

The members of the Committee as on March 31, 2023, and the attendance of the members at the meetings of the Committee held during the financial year under review is as under:

Name of Director	Category	Meetings	
		Held	Attended
<b>Ms. Sonu Halan Bhasin</b> Independent Director	Chairperson	04	04
<b>Mr. Kaushik Mazumdar</b> Independent Director	Member	04	04
<b>Mr. Sandeep Achyut Naik</b> Non-Executive Nominee Director	Member	04	03

The Chairperson of the Nomination and Remuneration Committee was not present at the last Annual General Meeting of the Company due to personal exigencies.

### Performance Evaluation Framework

The evaluation framework for the Board of Directors has been designed in accordance with the requirements of the Act and LODR Regulations and in consonance with the guidance note on Board evaluation issued by SEBI. The framework has been approved by the Board based on the recommendation of the Nomination and Remuneration Committee. The objective of the framework is to ensure corporate governance standards are maintained; to facilitate the identification of areas of concern and the areas to be focused upon for enhancing the functioning of the Board; to create awareness about the role of the Directors of the Company individually, and collectively, as a Board; and to steer the Board in direction of achieving the Company's mission and vision.

The Nomination and Remuneration Committee is primarily responsible for framing the criteria of evaluation (including for evaluation of the Board, and the Independent Directors). Such criteria may vary for different categories of individuals / groups depending on the functions, responsibilities, competencies required etc. The evaluation criteria for the Board as a whole includes aspects such as the structure of the Board, management and functions of the Board etc. The evaluation criteria for the Committees of the Board includes aspects such as composition of the Committee, effectiveness of the

Committee, contributions to decisions of the Board etc. The evaluation criteria for Directors and chairperson includes aspects such as fulfilment of functions, knowledge and competency, effectiveness of leadership and ability to steer meetings etc. The evaluation criteria for Independent Directors includes aspects such as participation at Board / Committee meetings, managing relationship, knowledge and skill, personal attributes, etc.

The Board carried out an annual evaluation of its own performance, Board's committees, and individual Directors pursuant to the provisions of the Act and LODR Regulations. This exercise was carried out through a structured questionnaire prepared separately for the Board, Committees, Chairperson of the Board, and individual Directors. The questionnaires were uploaded on the online tool for the Directors to carry out the evaluation for the financial year under review. The outcome of the evaluation process forms a part of the Report of the Board of Directors.

### Corporate Social Responsibility Committee

#### Brief description of terms of reference

The terms of reference of the Corporate Social Responsibility Committee are in line with the provisions of the Act and *inter-alia* includes formulation and recommendation of Corporate Social Responsibility Policy to the Board; recommendation of the amount of CSR expenditure to be incurred on the CSR activities; monitoring the CSR Policy including monitoring the progress of CSR projects or programmes etc. The Committee reviews the tracker on compliance calendar of the terms of reference of the Committee periodically.

### Composition and Attendance of members at the meetings of the Committee

As on March 31, 2023, the Committee comprised of three members (including two Independent Directors). The Chairperson of the Committee is an Independent Director. During the financial year under review, the Committee met four times on June 01, 2022, September 07, 2022, December 13, 2022, and March 21, 2023.

The members of the Committee as on March 31, 2023, and the attendance of the members at the meetings of the Committee held during the financial year under review is as under:

Name of Director	Category	Meetings	
		Held	Attended
<b>Ms. Sonu Halan Bhasin</b> Independent Director	Chairperson	04	04
<b>Mr. Prashant Saran</b> Independent Director	Member	04	04
<b>Mr. Sandeep Achyut Naik</b> Non-Executive Nominee Director	Member	04	02

The Chairperson of the Corporate Social Responsibility Committee was not present at the last Annual General Meeting of the Company due to personal exigencies.

### Risk Management Committee

#### Brief description of terms of reference

The terms of reference of the Risk Management Committee are in line with the provisions of the LODR Regulations and *inter-alia* includes formulation of a detailed Risk Management Policy including framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk, measures for risk mitigation including systems and processes for internal control of identified risks, business continuity plan; monitoring and overseeing implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems etc. The Committee reviews the tracker on compliance calendar of the terms of reference of the Committee periodically.

#### Composition and Attendance of members at the meetings of the Committee

As on March 31, 2023, the Committee comprised of three members (including two Independent Directors). The Chairperson of the Committee is an Independent Director. During the financial year under review, the Committee met four times on June 02, 2022, September 26, 2022, December 13, 2022, and March 23, 2023.

The members of the Committee as on March 31, 2023, and the attendance of the members at the meetings of the Committee held during the financial year under review is as under:

Name of Director	Category	Meetings	
		Held	Attended
<b>Mr. Prashant Saran</b> Independent Director	Chairperson	04	04
<b>Mr. Kaushik Mazumdar</b> Independent Director	Member	04	04
<b>Mr. Venkata Satya Naga Sreekanth Nadella</b> Managing Director and CEO (inducted w.e.f. August 17, 2022)	Member	03	01

The Chairperson of the Risk Management Committee was present at the last Annual General Meeting of the Company.

### Stakeholders' Relationship Committee

#### Brief description of terms of reference

The terms of reference of the Stakeholders' Relationship Committee are in line with the provisions of the Act and LODR Regulations and *inter-alia* includes reviewing of measures taken for effective exercise of voting rights by shareholders; investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities; Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/ transmission of shares; reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services etc. The Committee reviews the tracker on compliance calendar of the terms of reference of the Committee periodically.

#### Composition and Attendance of members at the meetings of the Committee

As on March 31, 2023, the Committee comprised of three members (including one Independent Director). The Chairperson of the Committee is an Independent Director. During the financial year under review, the Committee met once on March 24, 2023.

The members of the Committee as on March 31, 2023, and the attendance of the members at the meeting of the Committee held during the financial year under review is as under:

Name of Director	Category	Meetings	
		Held	Attended
<b>Mr. Prashant Saran</b> Independent Director	Chairperson	01	01
<b>Mr. Viswanathan Mavila Nair</b> Non-Executive Director	Member	01	01
<b>Mr. Venkata Satya Naga Sreekanth Nadella</b> Managing Director and CEO	Member	01	01

The Chairperson of the Stakeholders' Relationship Committee was present at the last Annual General Meeting of the Company.

## Compliance Officer and Shareholders' Complaints

Ms. Alpana Uttam Kundu, Company Secretary and Compliance Officer is the Compliance Officer for resolution of shareholders' complaints. The details of shareholders' complaints received during the financial year under review are as under:

Particulars	No. of Complaints
No. of shareholders' complaints pending at the beginning of the financial year	NIL
No. of shareholders' complaints received during the financial year under review	18
No. of shareholders' complaints disposed off during the financial year under review	18
No. of shareholders' complaints pending at the end of the financial year	NIL

The majority of the complaints received were related to the allotment status in the Company's Initial Public Offer and all complaints have been redressed to the satisfaction of the shareholders.

## IT Strategy Committee

### Brief description of terms of reference

The terms of reference of the IT Strategy Committee are in line with the provisions of the Cyber Security and Cyber Resilience framework for Qualified RTAs and *inter-alia* includes providing insight and advice to the Board in areas related to developments in IT, scalability of operations; reviewing fintech blueprint, IT partners strategy, competitive strategy / positioning and IT annual plan and goals; SAAS, API, forward and backward integration and platform strategy and pricing, for both domestic and international markets; monitoring to ensure that, at all times, the Company maintains adequate technical capacity to process twice the peak transaction load encountered during past six months; monitoring to ensure implementation of Data Access and Data Protection Policy; monitoring and review of system audits related to the business operations, etc. The Committee reviews the tracker on compliance calendar of the terms of reference of the Committee periodically.

### Composition and Attendance of members at the meetings of the Committee

As on March 31, 2023, the Committee comprised of three members (including one Independent Director). The Chairperson of the Committee is a Non-Executive Director. During the financial year under review, the Committee met four times on June 02, 2022, September 06, 2022, December 12, 2022, and March 28, 2023.

The members of the Committee as on March 31, 2023, and the attendance of the members at the meetings of the Committee held during the financial year under review is as under:

Name of Director	Category	Meetings	
		Held	Attended
<b>Ms. Srinivas Peddada</b> Non-Executive Nominee Director	Chairperson	04	04
<b>Mr. Kaushik Mazumdar</b> Independent Director	Member	04	04
<b>Mr. Venkata Satya Naga Sreekanth Nadella</b> Managing Director and CEO	Member	04	04

The Chairperson of the IT Strategy Committee was present at the last Annual General Meeting of the Company.

## IPO Committee

The IPO Committee was constituted by the Board for overseeing the initial public offering and to take all decisions in relation to the IPO (except as are required under applicable law to be taken only at a Board Meeting). The terms of reference of the IPO Committee *inter-alia* included deciding in consultation with the selling shareholders and merchant bankers to the IPO, the size, timing, pricing and all other terms and conditions of the IPO, including the number of equity shares to be offered pursuant to the IPO; finalizing and amending the terms of participation by the selling shareholders in the offer for sale; to determine and finalise the IPO opening and IPO closing dates (including IPO opening and closing dates for anchor investors), floor price/price band for the IPO, the IPO price for anchor investors, approve the basis for allocation/allotment and confirm allocation/allotment of the Equity Shares to various categories of persons as disclosed in the DRHP, the RHP and the prospectus, in consultation with the merchant bankers to the IPO etc.

Pursuant to the completion of the IPO of the Company, and subsequent listing of its equity shares on National Stock Exchange of India Limited and BSE Limited with effect from December 29, 2022, the purpose of the constitution of the IPO Committee was fulfilled; accordingly, the Committee was subsequently dissolved by the Board.

## Business Development and Strategy Committee

The Business Development and Strategy Committee has been constituted by the Board to review and oversee the business development and implementation of the Company's growth strategies and make recommendations to the Board with respect to potential acquisition, joint venture, or divestment opportunities for which the Board's approval is required. The terms of reference of the Business Development and Strategy Committee *inter-alia* includes reviewing and overseeing the business development and implementation of the Company's

organic and inorganic growth strategies; analyzing the principal trends in relation to the Company's activities and communicating relevant information to the Board; develop and update the Company's customer pricing framework; ensuring that the pricing framework adequately contributes to the long-term financial viability and profitability of the Company etc.

## REMUNERATION OF DIRECTORS

The Remuneration Policy has been approved by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee with the objective that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully; that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; that the remuneration of Directors, Key Managerial Personnel, and Senior Management Personnel

involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals; to determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer Companies, in the industry; to ensure there is a principle of proportionality while determining the remuneration; to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create a competitive advantage.

The Nomination and Remuneration Committee recommends the remuneration / compensation / profit-linked commission etc. to be paid to the Directors, to the Board of Directors, for its approval. The Remuneration Policy is available on the website of the Company at <https://investor.kfintech.com/policies-and-codes/>

The details of remuneration of Directors for the financial year under review, are as under:

Amounts in ₹ Millions

Name of Director	Salary and Allowances	Share based payment	Commission / Bonus / Performance-based Incentive	Sitting Fees	Total
<b>Non-Executive Director (Chairperson)</b>					
Mr. Viswanathan Mavila Nair	NIL	3.87	15.00	NIL	18.87
<b>Executive Director (Managing Director and CEO)</b>					
Mr. Venkata Satya Naga Sreekanth Nadella	25.03	16.99	15.00	NIL	57.02
<b>Independent Directors</b>					
Mr. Prashant Saran	NIL	NIL	2.25	NIL	2.25
Mr. Kaushik Mazumdar	NIL	NIL	2.55	NIL	2.55
Ms. Sonu Halan Bhasin	NIL	NIL	2.25	NIL	2.25
<b>Non-Executive Nominee Directors</b>					
Mr. Sandeep Achyut Naik	NIL	NIL	NIL	NIL	NIL
Mr. Shantanu Rastogi	NIL	NIL	NIL	NIL	NIL
Mr. Srinivas Peddada	NIL	4.45	NIL	NIL	4.45
Mr. Jaideep Hansraj	NIL	NIL	NIL	NIL	NIL

During the financial year under review, no options were granted to the Directors under the KFin Employee Stock Option Plan 2020. The details of options previously granted to Directors, as on March 31, 2023, are as under:

Name of Director	Scheme	Options granted	Options vested and exercised	Options vested and not yet exercised	Options unvested
<b>Non-Executive Director (Chairperson)</b>					
Mr. Viswanathan Mavila Nair	Scheme A	51,715	33,614	NIL	18,101
	Scheme B	38,786	38,786	NIL	NIL
	Scheme C	38,786	NIL	38,786	NIL
	Scheme D	54,053	10,811	NIL	43,242
	Scheme E	40,541	20,271	NIL	20,270
	Scheme F	40,541	NIL	NIL	40,541

Name of Director	Scheme	Options granted	Options vested and exercised	Options vested and not yet exercised	Options unvested
<b>Executive Director (Managing Director and CEO)</b>					
Mr. Venkata Satya Naga Sreekanth Nadella	Scheme A	447,457	212,541	NIL	234,916
	Scheme B	335,592	335,592	NIL	NIL
	Scheme C	335,592	NIL	335,592	NIL
	Scheme D	120,000	24,000	NIL	96,000
	Scheme E	90,000	45,000	NIL	45,000
	Scheme F	90,000	NIL	NIL	90,000
<b>Independent Directors</b>					
Mr. Prashant Saran	N/A	N/A	N/A	N/A	N/A
Mr. Kaushik Mazumdar	N/A	N/A	N/A	N/A	N/A
Ms. Sonu Halan Bhasin	N/A	N/A	N/A	N/A	N/A
<b>Non-Executive Nominee Directors</b>					
Mr. Sandeep Achyut Naik	N/A	NIL	N/A	N/A	N/A
Mr. Shantanu Rastogi	N/A	NIL	N/A	N/A	N/A
Mr. Srinivas Peddada	Scheme A	138,879	NIL	41,664	97,215
	Scheme B	104,159	50	104,109	NIL
	Scheme C	104,159	NIL	104,159	NIL
	Scheme D	20,000	NIL	4,000	16,000
	Scheme E	15,000	NIL	7,500	7,500
	Scheme F	15,000	NIL	NIL	15,000
Mr. Jaideep Hansraj	N/A	NIL	N/A	N/A	N/A

The options vested can be exercised within a period of seven years from the date of listing of the shares of the Company on the stock exchanges *i.e.*, seven years from December 29, 2022, for continuing or deceased employee, and within a period of three years from the date of listing for ex-employees. Vesting of options granted in Scheme A and Scheme D is time-based and will vest over a period of 48 months from the date of grant. Vesting of options granted in Scheme B and Scheme E is performance-linked and will vest upon fulfilment of EBITDA criteria as specified therein. Vesting of options granted in Scheme C and Scheme F is event-based and will vest upon fulfilment of the event(s) specified therein.

## GENERAL BODY MEETINGS

### Annual General Meeting

Details of last three Annual General Meetings and the summary of special resolutions passed therein are as under:

Financial Year ended	Date and Time	Venue / Mode	Special Resolution(s) passed
March 31, 2022	August 04, 2022 at 02:30 p.m.	Through Video Conferencing / Other Audio-Visual Means Deemed Venue: Registered Office	Appointment of Mr. Venkata Satya Naga Sreekanth Nadella (DIN: 08659728) as the Managing Director of the Company
March 31, 2021	September 30, 2021 at 10:00 a.m.	of the Company situated at Selenium, Tower B, Plot No. 31 & 32,	Alteration of the Articles of Association of the Company
March 31, 2020	July 06, 2020 at 11:00 a.m.	Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana – 500032	No Special Resolution was passed at this meeting

### Postal Ballot

During the financial year under review, no resolution was passed by the Company through postal ballot. As on the date of this Report, the Board of Directors has approved conducting a postal ballot seeking approval of the members for the following Special Resolutions:

1. To ratify the KFin Employee Stock Option Plan 2020 and to approve the amendments thereto
2. To extend the KFin Employee Stock Option Plan 2020 to employees of the present and future Group Companies including Subsidiary / Associate Companies and the Holding Company
3. To approve the Article No. 136 of Part B of the Articles of Association of the Company and to delete Part A and the heading 'Part B' of the Articles of Association of the Company.

## MEANS OF COMMUNICATION

The Company regularly utilizes various means of communication to keep its stakeholders informed about its financial results, announcements, updates etc.

### Financial Results

The quarterly financial results are intimated to the stock exchanges, and also circulated to all the shareholders of the Company whose email addresses are registered with Company / Depositories. The results are also uploaded on the website of the Company at <https://investor.kfintech.com/financials/> and is published in leading newspapers such as Financial Express (all editions) and Surya.

### Investor Calendar and Presentation

The Company regularly conducts / participates in Investor Conferences, Analysts / Institutional Investors' Meet, Investor Roadshow to discuss its performance. The schedule of the same is intimated to the stock exchanges, and also available on the website of the Company at <https://investor.kfintech.com/investor-analyst-meet/> along with the Investor calendar on <https://investor.kfintech.com/news-and-events/>

The presentations made at such conferences, meets, roadshows, are submitted to the stock exchanges in advance and are available on the website of the Company at <https://investor.kfintech.com/financials/>

### Press Release

The Company issues press releases for dissemination of its financial performance, business development updates, product launch etc. The press releases are intimated to the stock exchanges in advance, and are also available on the website of the Company at <https://investor.kfintech.com/press-releases/>

### Website

The Company's website <https://www.kfintech.com/> provides detailed information regarding its business segments, products, and highlights its key numbers including scale and leadership, apart from the quarterly key performance indicators.

## GENERAL SHAREHOLDER INFORMATION

### 6<sup>th</sup> Annual General Meeting

<b>Day, Date and Time</b>	Monday, September 25, 2023, at 03:00 pm IST
<b>Venue / Mode</b>	Annual General Meeting through Video Conferencing / Other Audio-Visual Means Deemed Venue: Registered Office of the Company situated at Selenium, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana – 500032
<b>Book Closure Dates</b>	None

### Financial Year

The Company follows the financial year as per the provisions of the Act *i.e.*, a period of twelve months from April 01 to March 31.

### Dividend Payment Date

The Board has not recommended any dividend for the financial year under review.

### Listing on Stock Exchanges and Stock Code

The equity shares of the Company are listed on the following stock exchanges with effect from December 29, 2022:

Name of Stock Exchange	Address	Stock Code
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	543720
National Stock Exchange of India Limited	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	KFINTeCH

The ISIN of the Equity Shares of the Company is INE138Y01010. The Company has paid the annual listing fee for the financial year under review and the financial year 2023-24 to both the stock exchanges.

During the financial year under review, the equity shares of the Company have not been suspended from trading on any of the stock exchanges on which they are listed.

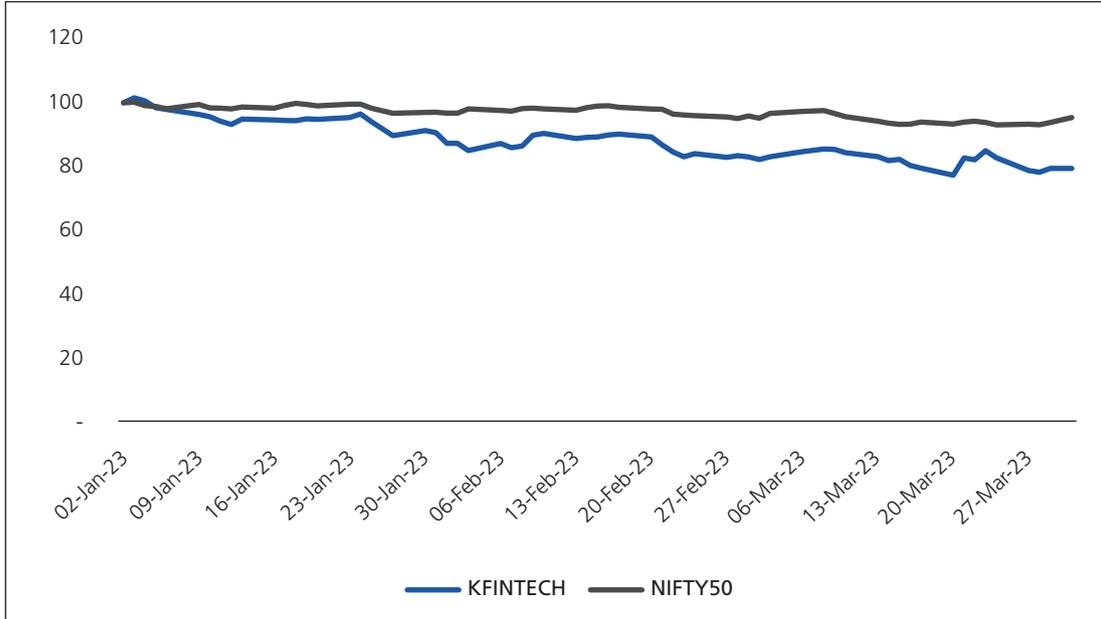
### Market Price Data

Market price data for the period January 01, 2023, to March 31, 2023, is as under:

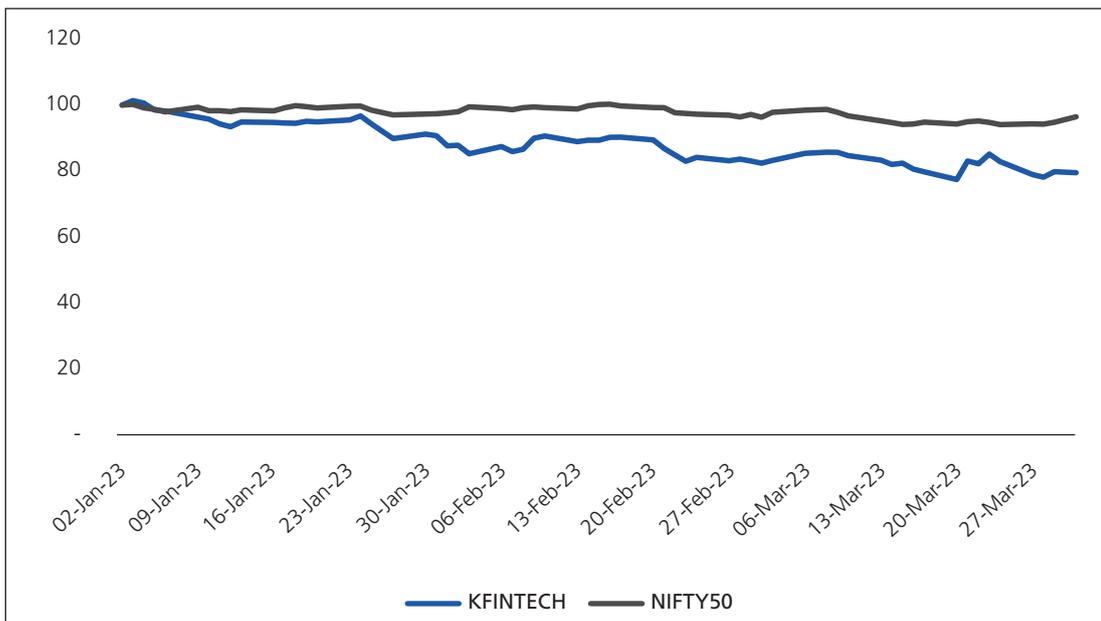
Month	BSE Limited		National Stock Exchange of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
January	357.10	316.45	358.25	316.40
February	319.15	292.05	318.90	292.50
March	301.85	272.60	301.80	272.85

Performance of the Company's shares in comparison to BSE Sensex and Nifty 50

### KFINTECH vs NIFTY50



### KFINTECH vs SENSEX



## Registrar and Share Transfer Agents

<b>Name</b>	Bigshare Services Private Limited
<b>Address</b>	Office No. S6-2, 6th Floor, Pinnacle Business Park, next to Ahura Centre, Mahakali Caves Road, Andheri East, Mumbai – 400093
<b>Investor Grievance Email ID</b>	investor@bigshareonline.com
<b>Website</b>	www.bigshareonline.com

## Share Transfer System

In terms of the LODR Regulations, transfer of securities in physical form shall not be processed unless the securities are held in the dematerialized mode with a depository participant.

## Distribution of Shareholding

Distribution of shareholding by size as on March 31, 2023, is as under:

Categories (Shares)	No. of shareholders	Percentage of total shareholders	No. of shares	Percentage of total shares
1 to 500	83,227	98.9349	4,203,915	2.4842
501 to 1,000	490	0.5825	329,781	0.1949
1,001 to 2,000	151	0.1795	221,375	0.1308
2,001 to 3,000	65	0.0773	173,240	0.1024
3,001 to 4,000	20	0.0238	72,144	0.0426
4,001 to 5,000	16	0.0190	73,926	0.0437
5,001 to 10,000	25	0.0297	186,981	0.1105
10,001 to 999999999	129	0.1533	163,967,337	96.8910
<b>Total</b>	<b>84,123</b>		<b>169,228,699</b>	<b>100.0000</b>

Distribution of shareholding by category as on March 31, 2023, is as under:

Categories	No. of shareholders	No. of shares	Percentage of total shares
Promoter/Promoter Group	02	83,634,603	49.42
Mutual Funds	29	1,1883,736	7.02
Banks, Insurance & Other DII's	21	27,981,142	16.53
Foreign Portfolio Investors	41	13,611,337	8.04
Others	84,030	32,117,881	18.98
<b>Total</b>	<b>84,123</b>	<b>169,228,699</b>	<b>100.00</b>

## Dematerialization of shares and liquidity

As on March 31, 2023, 99.99% equity shares of the Company are in dematerialized form. The equity shares of the Company are liquid and traded on BSE Limited and National Stock Exchange of India Limited.

## Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs /ADRs / Warrants or any convertible instruments.

## Commodity price risk or foreign exchange risk and hedging activities

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. As the Company is not into trading any commodity, there is no commodity price risk and there's no hedging activities undertaken by the Company during financial year 2022-23.

## Plant locations

As the activities of the Company include provision of services, it does not have any plant locations.

## Address for Correspondence

<b>Registered Office</b>	Selenium, Tower B, Plot No. 31 & 32 Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana – 500032
<b>Email ID</b>	investorrelations@kfintech.com
<b>Website</b>	www.kfintech.com

## Credit Ratings

During the financial year under review, the Company has not obtained any credit ratings, whether in India or abroad.

## OTHER DISCLOSURES

### Related party transactions

The Company has entered into various Related Party Transactions during the financial year which were in the ordinary course of business and made on terms equivalent to those that prevail in arm's length transactions. During the year, the Company had not entered into any contract / arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions or which is required to be reported in Form No. AOC-2 in terms of Section 134(3) (h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

The Company has formulated a policy on dealing with Related Party Transactions. The same is available on the Company's website at [https://investor.kfintech.com/wp-content/uploads/2022/11/KFintech\\_RPT-Policy.pdf](https://investor.kfintech.com/wp-content/uploads/2022/11/KFintech_RPT-Policy.pdf)

The details of all the transactions with Related Parties are provided in the accompanying financial statements. Members may refer to Note 40 to the Financial Statements which sets out related party disclosures pursuant to IND AS-24.

### Penalties / Strictures

There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the last three years, except as under:

During the financial year 2021-22, the Company had paid the fine levied by BSE Limited for delayed submission made under Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Vigil Mechanism / Whistle Blower Policy

The Company has established a Whistle Blower (Vigil) Mechanism and formulated a Whistle Blower/ Vigil Mechanism Policy. The details of the Policy is explained in the Corporate Governance Report, which forms part of this Annual Report and also hosted on the website of the Company at [https://investor.kfintech.com/wp-content/uploads/2022/07/KFintech\\_Whistle-Blower-and-Vigil-Mechanism-Policy.pdf](https://investor.kfintech.com/wp-content/uploads/2022/07/KFintech_Whistle-Blower-and-Vigil-Mechanism-Policy.pdf).

### Details of utilization of funds raised through preferential allotment or qualified institutions placement

During the financial year under review, the Company has not raised funds through preferential allotment or qualified institutions placement.

## Certificate from Company Secretary in Practice

Certificate from D V Rao & Associates, Practicing Company Secretaries certifying that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI or MCA or such other statutory authority, is enclosed as Annexure – 1 to this Report.

## Recommendation by Committees

During the financial year under review, all recommendations made by the Committees of the Board as mandatorily required have been accepted by the Board.

## Consolidated Fees to Auditors

The total fees for all services (including out of pocket expenses) availed by the Company and its subsidiaries from M/s. B S R & Associates LLP, Chartered Accountants, Statutory Auditors for the Financial Year 2022-23 is ₹ 35.54 million.

## Prevention of Sexual Harassment

The Company has in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at work place which is in line with the requirements of the Sexual Harassment of women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder ("POSH"). All employees (permanent, contractual, temporary and trainees) are covered under this Policy. The Company has constituted an Internal Committee for its Head Office and branches under Section 4 of the captioned Act. There was one complaint received by these committees during the year under review. The complaint has been addressed by the Committee as per the procedure laid down by the POSH. The Company has filed an Annual Report with the concerned Authority.

## Loans and Advances

During the financial year under review, no loans or advances were made by the Company or its subsidiaries in the nature of loans to firms / Companies in which Directors are interested.

## Material Subsidiaries

In accordance with the LODR Regulations, the Company has adopted the policy on material subsidiaries and the same is available on the website of the Company at <https://investor.kfintech.com/policies-and-codes/>

None of the subsidiaries of the Company is considered to be a material subsidiary in terms of the said policy and the LODR Regulations.

## DISCRETIONARY REQUIREMENTS

The status of adoption of the discretionary requirements as specified in Part E of Schedule II to the LODR Regulations is as under:

## The Board

The Non-Executive Chairperson of the Board does not maintain a chairperson's office at the Company's expense.

## Shareholder Rights

The quarterly financial results are intimated to the stock exchanges, and also circulated to all the shareholders of the Company whose email addresses are registered with Company / Depositories. The results are also uploaded on the website of the Company at <https://investor.kfintech.com/financials/> and is published in leading newspapers such as Financial Express (all editions) and Surya.

## Modified opinion(s) in audit report

The Auditors have expressed an unmodified opinion in their report on the financial statements of the Company.

## Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

During the financial year under review, the positions of the Chairperson and the Managing Director or the Chief Executive Officer are separate. Mr. Vishwanathan Mavila Nair, Non-Executive Director is the Chairperson of the Board and is not related to the Managing Director and Chief Executive Officer. Mr. Venkata Satya Naga Sreekanth Nadella is the Managing Director and Chief Executive Officer of the Company.

## Reporting of Internal Auditor

The Internal Auditor reports to the Audit Committee and presents quarterly updates on the audit along with a summary of audit observations, if any and follow-up actions thereon.

## CORPORATE GOVERNANCE REQUIREMENTS

During the financial year under review, the Company has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the LODR Regulations.

## DECLARATION BY THE CHIEF EXECUTIVE OFFICER

A declaration signed by the Chief Executive Officer stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management and the Policy on Code of Conduct and Business Ethics, respectively, as on March 31, 2023, is enclosed as Annexure – 2 to this Report.

## CERTIFICATE ON CORPORATE GOVERNANCE

Certificate from D V Rao & Associates, Practicing Company Secretaries certifying the compliance of conditions of Corporate Governance, is enclosed as Annexure – 3 to this Report

## DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

As on March 31, 2023, the Company does not have any share in the demat suspense account or unclaimed suspense account.

## ANNEXURE 1 TO THE CORPORATE GOVERNANCE REPORT

### Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10) (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members of  
**KFin Technologies Limited**  
**(Formerly KFin Technologies Private Limited)**  
Selenium, Tower B, Plot No - 31 & 32,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad, Rangareddi – 500032, Telangana.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **KFin Technologies Limited** having **(CIN: L72400TG2017PLC117649)** and having registered office at Selenium, Tower B, Plot No - 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi –500032, Telangana, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Vishwanathan Mavila Nair	02284165	22/11/2018
2.	Mr. Venkata Satya Naga Sreekanth Nadella (Managing Director w.e.f 06/06/2022)	08659728	12/06/2020
3.	Mr. Prashant Saran	08747512	26/05/2020
4.	Ms. Sonu Halan Bhasin	02872234	16/11/2018
5.	Mr. Kaushik Mazumdar	00397815	16/11/2018
6.	Mr. Sandeep Achyut Naik	02057989	16/11/2018
7.	Mr. Shantanu Rastogi	06732021	16/11/2018
8.	Mr. Srinivas Peddada	08755240	02/07/2020
9.	Mr. Jaideep Hansraj	02234625	10/11/2021

Ensuring the eligibility for appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **D V Rao & Associates**  
Company Secretaries

**CS Vasudeva Rao Devaki**  
Practicing Company Secretary  
FCS # 8888 | COP # 12123  
UDIN: F008888E000342419

**Place:** Hyderabad  
**Date:** 20th May, 2023

## ANNEXURE 2 TO THE CORPORATE GOVERNANCE REPORT

### Declaration by the Chief Executive Officer

*(Pursuant to Regulation 34(3) and Schedule V Para D of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

I, Venkata Satya Naga Sreekanth Nadella, Managing Director & Chief Executive Officer of the Company hereby confirm that all members of Board of Directors and Senior Management Personnel have affirmed their compliance with the Code of Conduct for Directors and Senior Management and the Policy on Code of Conduct and Business Ethics, respectively, for the financial year ended March 31, 2023.

**Date:** June 23, 2023

**Place:** Hyderabad

**Venkata Satya Naga Sreekanth Nadella**

Managing Director and CEO

DIN: 08659728

## ANNEXURE 3 TO THE CORPORATE GOVERNANCE REPORT

### Certificate on Corporate Governance

To  
The Members,  
**KFin Technologies Limited**  
**(Formerly KFin Technologies Private Limited)**  
Selenium, Tower B, Plot No - 31 & 32,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad, Rangareddi – 500032, Telangana.

1. I have examined the compliance of the conditions of Corporate Governance by KFin Technologies Limited ('the Company') for the year ended on March 31, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").
2. The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. I conducted my examination of the compliance of the conditions of Corporate Governance in accordance with the established systems and procedures selected by me depending on my judgment, including assessment of the risks associated in compliance of the conditions of Corporate Governance with the applicable criteria. The procedures include, but are not limited to, verification of secretarial records and other information of the Company, as I deem necessary to arrive at an opinion.
4. Based on the procedures performed by me as mentioned above and according to the information and explanations provided to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and paragraphs C, D & E of Schedule V of SEBI Listing Regulations as applicable for the year ended March 31, 2023.
5. I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **D V Rao & Associates**  
Company Secretaries

**CS Vasudeva Rao Devaki**  
Practicing Company Secretary  
FCS # 8888 | COP # 12123  
UDIN: F008888E000342375

**Place:** Hyderabad  
**Date:** 20th May, 2023

**Disclosure pursuant to Regulation 30A(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) read with Para 5A of Part A, Schedule III of the LODR Regulations and Paragraph A.5A of Annexure I of the circular bearing reference number SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 issued by Securities and Exchange Board of India**

Sr. No.	Particulars of disclosure	Disclosure
1	Number of agreements that subsist as on the date of notification of clause 5A to para A of part A of schedule III of LODR Regulations	One  (salient features are as under)
2	Names of parties to the agreement	<ul style="list-style-type: none"> <li>• KFin Technologies Limited</li> <li>• Adhiraj Parthasarathy</li> <li>• Rajat Parthasarathy</li> <li>• C. Parthasarathy</li> </ul>
3	Purpose of entering into the agreement	The Company entered into a subscription agreement (“ <b>RPS SSA</b> ”) dated May 28, 2021, with Adhiraj Parthasarathy, Rajat Parthasarathy and C. Parthasarathy, for the issuance of 1,000 non-convertible redeemable preference shares having face value of INR 200 each (“ <b>RPS</b> ”) at par on a private placement basis to Adhiraj Parthasarathy. Under shareholders agreement dated August 3, 2017, as amended, entered amongst C. Parthasarathy, Rajat Parthasarathy, C. Parthasarathy – HUF and Compar Estates and Agencies Private Limited (collectively the “ <b>CP Group</b> ”), Adhiraj Parthasarathy, GASF and the Company (“ <b>SHA 2017</b> ”), the CP Group and Adhiraj Parthasarathy had the right to subscribe to additional equity shares of the Company upon the occurrence of certain identified events (as stipulated in SHA 2017). In consideration for termination of SHA 2017 and extinguishment of all rights of the CP Group and Adhiraj Parthasarathy thereunder (including the aforesaid right to subscribe to additional equity shares of the Company), the Company entered into the RPS SSA, for the issuance of RPS to Adhiraj Parthasarathy, pursuant to which the RPS were issued by the Company to Adhiraj Parthasarathy in accordance with the terms of the RPS SSA, on October 25, 2021. The terms of the above mentioned RPS in accordance with the RPS SSA, are as follows:
4	Shareholding, if any, in the entity with whom the agreement is executed	Not applicable
5	Significant terms of the agreement (in brief)	<p>Please refer to the purpose of the agreement stated above. The terms of the above mentioned RPS in accordance with the RPS SSA, are as follows:</p> <ul style="list-style-type: none"> <li>• <b>Term:</b> Maximum tenure of 20 years from the date of issue.</li> <li>• <b>Voting Rights:</b> The RPS do not carry any voting rights.</li> <li>• <b>Convertibility:</b> The RPS are not convertible into equity shares of the Company.</li> <li>• <b>Subordination:</b> The RPS shall be subordinated to the existing indebtedness of the Company and any future senior debt that the Company may take.</li> <li>• <b>Redemption:</b> The RPS shall be redeemed by the Company in accordance with their terms and applicable law, upon payment by the Company of the redemption premium of ₹ 1,340,000,001 (after deduction of any applicable taxes), which has been arrived at after deduction of an amount of ₹ 300,000,000 towards an indemnity claim made by the Company. The RPS shall be redeemed on or after October 25, 2023. The Company also has the right, exercisable at its sole option, to buy back the RPS instead of redeeming the same.</li> <li>• <b>Dividend:</b> Preferential non-cumulative dividend rate of 0.0001% per annum, which shall be applicable until October 25, 2023. The dividend shall be due only when declared by the board of directors of the Company. In the event that the RPS are not redeemed on October 25, 2023 or within sixty days therefrom, the dividend rate applicable on the RPS for the period after October 25, 2023, shall stand revised to a preferential cumulative dividend rate of 7% per annum, which shall further increase by 200 bps per annum at every anniversary of October 25, 2023, subject to a maximum of 13% per annum. The payment of such dividend shall be subject to deduction and withholding of taxes by the Company as per applicable law.</li> </ul>

Sr. No.	Particulars of disclosure	Disclosure
5	Significant terms of the agreement (in brief)	<ul style="list-style-type: none"> <li>• <b>Transferability:</b> The RPS are transferable between Adhiraj Parthasarathy and each of the following, but are not transferable to any other third party: (i) C. Parthasarathy; (ii) Rajat Parthasarathy; (iii) C. Parthasarathy – HUF; and (iv) Compar Estates and Agencies Private Limited.</li> <li>• <b>Indemnity Terms under the RPS SSA:</b> In addition to the indemnity claim of ₹ 300,000,000 made by the Company against the subscriber, as mentioned above, under the RPS SSA, the Company and the subscriber are each required to indemnify the other against any losses arising pursuant to breach of their respective warranties or failure to fulfil any covenants, undertakings and obligations. The indemnification liability of each party to the RPS SSA is limited to the redemption premium, and shall survive termination of the RPS SSA.</li> </ul>
6	Extent and the nature of impact on management or control of the listed entity	Not applicable
7	Details and quantification of the restriction or liability imposed upon the listed entity	Please refer to terms of the RPS, particularly in relation to their redemption, as stated above.
8	Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship	No
9	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	No, the transaction would not fall within related party transactions.
10	In case of issuance of shares to the parties, details of issue price, class of shares issued	1,000 non-convertible redeemable preference shares having face value of INR 200 each were issued at par on a private placement basis by the Company to Adhiraj Parthasarathy on October 25, 2021, pursuant to the RPS SSA, in consideration for termination of SHA 2017 and extinguishment of all rights of the CP Group and Adhiraj Parthasarathy thereunder (including the aforesaid right to subscribe to additional equity shares of the Company).
11	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.	Not applicable
12	In case of rescission, amendment or alteration, listed entity shall disclose additional details to the stock exchange(s): <ul style="list-style-type: none"> <li>i. name of parties to the agreement;</li> <li>ii. nature of the agreement;</li> <li>iii. date of execution of the agreement;</li> <li>iv. details and reasons for amendment or alteration and impact thereof (including impact on management or control and on the restriction or liability quantified earlier);</li> <li>v. reasons for rescission and impact thereof (including impact on management or control and on the restriction or liability quantified earlier).</li> </ul>	Not applicable
13	Website link	<a href="https://investor.kfintech.com/wp-content/uploads/2023/08/Disclosure-pursuant-to-Regulation-30A2-of-LODR-Regulations.pdf">https://investor.kfintech.com/wp-content/uploads/2023/08/Disclosure-pursuant-to-Regulation-30A2-of-LODR-Regulations.pdf</a>

# Business Responsibility and Sustainability Report (BRSR)

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1.	<b>Corporate Identity Number (CIN) of the Company</b>	L72400TG2017PLC117649
2.	<b>Name of the Listed Entity</b>	KFin Technologies Limited
3.	<b>Year of incorporation</b>	2017
4.	<b>Registered office address</b>	Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi 500032, Telangana, India
5.	<b>Corporate address</b>	Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi-500032, Telangana, India
6.	<b>E-mail</b>	compliance.corp@kfintech.com
7.	<b>Telephone</b>	+91 40 7961 5565
8.	<b>Website</b>	www.kfintech.com
9.	<b>Financial year for which reporting is being done</b>	1 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2023
10.	<b>Name of the Stock Exchange(s) where shares are listed</b>	BSE Limited (BSE) & National Stock Exchange of India Limited (NSE)
11.	<b>Paid-up Capital</b>	₹ 1,692,286,990 divided into: a) 169,228,699 Equity Shares of face value ₹ 10 each and b) 1,000 Preference Shares of face value ₹ 200 each
12.	<b>Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report</b>	Mr. Vivek Narayan Mathur Chief Financial Officer +91 40 7961 5565 compliance.corp@kfintech.com
13.	<b>Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)</b>	The disclosures made in this report are made on Standalone basis and pertain only to KFin Technologies Limited.

### II. Products/services

#### 14. Details of business activities (accounting for 90% of the turnover):

S. No	Description of Main Activity	Description of Business Activity	% of Turnover of The Entity
1.	Fund Administrator and Qualified Registrar and Transfer Agent	Technology driven financial services platform providing comprehensive services and solutions to the capital markets ecosystem including asset managers and corporate issuers across asset classes in India and other global locations. We are also a Central Recordkeeping Agency for the National Pension Scheme in India	94%

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No	Product/Service	Description of Business Activity	NIC Code	% of total Turnover contributed
1.	Service	Fund Administrator and Qualified Registrar and Transfer Agent	62099	94%

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	NA	182 (Front Offices), two middle offices and two back offices	186
International	NA	1	1

#### 17. Markets served by the entity:

##### a. Number of locations

Locations	Number
National (No. of States)	27
International (No. of Countries)	11

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports contribute a total of 8.80% of the total turnover.

##### c. A brief type of customers

The Company is a fund administrator and qualified registrar and transfer agent service provider. As such, the Company serves various types of customers across different sectors. Some of the key customer segments of the Company are:

- i. **Mutual Funds:** KFin Technologies provides registrar and transfer agent services and other value added digital solutions to mutual funds. Mutual fund companies outsource their investor servicing activities, such as record-keeping, transaction processing, and customer support, to KFin Technologies.
- ii. **Alternative Investment Funds:** It caters to AIFs by offering comprehensive investor servicing solutions. These services include handling investor onboarding, investor inquiries, managing fund distribution, maintaining investor records, fund administration and facilitating various transactions.
- iii. **Corporates:** It works with corporates to provide them with end-to-end shareholder services. This involves managing the entire lifecycle of a shareholder, including share transfers, dividend payments, and handling corporate actions like buy-backs, open offers, bonus issues, etc. In addition, it also offers other value added services as a platform offering like conducting e-AGM, e-Voting, etc.
- iv. **Pension Subscribers:** It has a registration to act as Central Recordkeeping Agency ("CRA") with the Pension Fund Regulatory and Development Authority. The key activities of CRA are Issue & dispatch of unique Permanent Retirement Account Number, receive instructions from subscribers through CRA System / NPSCAN, monitor subscribers' contributions and instructions and transmit the information to the relevant Pension Fund Managers, providing various subscriber maintenance services, interact and coordinate with other NPS stakeholders etc. .

### IV. Employees

#### 18. Details as at the end of Financial Year:

##### a. Employees and workers including differently abled

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	5,127	3,879	76%	1,248	26%
2.	Other than Permanent (E)	513	340	68%	173	34%
3.	<b>Total employees (D + E)</b>	<b>5,640</b>	<b>4,219</b>	<b>75%</b>	<b>1,421</b>	<b>25%</b>

\*The Company does not employ any workers as it's a service-based company.

#### b. Differently abled employees and workers

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	5	5	100%	Nil	0%
2.	Other than Permanent (E)	9	6	66.67%	3	33.33%
3.	<b>Total differently abled employees (D + E)</b>	<b>14</b>	<b>11</b>	<b>78.57%</b>	<b>3</b>	<b>21.43%</b>

#### 19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
<b>Board of Directors</b>	9	1	11%
<b>Key Management Personnel</b>	3	1	33.33%

#### 20. Turnover rate for permanent employees and workers

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent Employees (%)</b>	33%	42%	35%	39%	48%	41%	23%	26%	24%

#### V. Holding, Subsidiary and Associate Companies (including joint ventures)

##### 21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	KFin Services Private Limited	Wholly-owned subsidiary	100%	No
2	KFin Technologies (Bahrain) W.L.L.	Wholly-owned subsidiary	100%	No
3	KFin Technologies (Malaysia) SDN. BHD	Wholly-owned subsidiary	100%	No
4	Hexagram Fintech Private Limited	Wholly-owned subsidiary	100%	No
5	Hexagram Fintech SDN. BHD.	Wholly-owned stepdown subsidiary	100%	No
6	KFin Global Technologies (IFSC) Limited	Wholly-owned subsidiary	100%	No
7	Fintech Products and Solutions India Private Limited	Associate	25.63%	No

#### VI. CSR Details

##### 22. i. Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

ii. **Turnover:** ₹ 6,247.09 million as on March 31, 2022

iii. **Net Worth:** ₹ 6,186.98 million\* as on March 31, 2022

\* excludes capital reserve, capital redemption reserves and share based payment reserves.

## VII. Transparency and Disclosures Compliances

### 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)  (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. The company has a CSR committee and established an internal system to actively monitor the execution of their Corporate Social Responsibility (CSR) projects and address the needs and concerns of the beneficiary community.						
Investors (other than shareholders)	Not Applicable. The Company has no borrowings and has only shareholders which include both individual and entities.						
Shareholder	Yes. The investors can reach out to the Head of Investor Relations either through post or can email their concerns on investorrelations@kfintech.com. Details are available on the Company's website <a href="https://investor.kfintech.com/">https://investor.kfintech.com/</a> . Further, the shareholders can reach write to/ contact the Registrars or Share Transfer Agents on investor@bigshareonline.com. They can alternatively call them and can access their website for any queries. Details are available on the Company's website <a href="https://investor.kfintech.com/">https://investor.kfintech.com/</a> .						
Employees	Yes	3	0	N.A.	3	0	N.A.
Customers	Yes. The Company conducts regular meetings with its customers at various levels to gain insights into their requirements, gather feedback, and receive suggestions. These meetings are scheduled at predetermined intervals.						
Value Chain Partners	Yes. The Company maintains regular interactions with key stakeholders in its value chain. The company facilitates effective communication through dedicated digital platforms, enabling them to understand any grievances, receive feedback, and address their concerns.						
Other (please specify)				Not Applicable.			

### 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate Positive or negative implications)
1.	Carbon Footprint and Climate Change	Risk and Opportunity	High energy consumption by the company's operations and data centers may contribute to greenhouse gas emissions, which can have a negative impact on the environment, exacerbate climate change, resource depletion and increased pollution.	Shift to renewable energy sources for powering data centers and other facilities, reducing carbon emissions and energy consumption. Implement energy-efficient technologies, such as efficient cooling systems and server virtualization, to minimize energy consumption.	Energy efficiency measures can reduce operational costs by lowering energy consumption and related expenses.
2.	Electronic Waste	Risk	The disposal of electronic waste generated by the company's operations, such as outdated IT equipment, can have adverse environmental effects if not managed properly.	The Company has approved & well established Waste Management Policy (e-waste), wherein, we can have engaged vendors who has the capability for proper disposal of e-waste.	Investment in disposal practices followed.
3.	Data Privacy and Security	Risk	As a QRTA, the Company handles sensitive customer data. Ensuring robust data privacy and security measures is crucial to maintaining customer trust and complying with relevant regulations.	Strengthen data protection measures, including encryption, access controls, and employee training programs, to mitigate the risk of data breaches.	Increased investment in robust controls can enhance the company's reputation, customer trust, and client acquisition.
4.	Workforce Diversity and Inclusion	Opportunity	Promoting diversity and inclusion within the company can enhance innovation, productivity, and overall business performance. Failing to address these issues may lead to reputational damage and hinder talent acquisition and retention.	Implement initiatives to foster a diverse and inclusive workplace, such as recruitment strategies, employee resource groups, and training programs.	None.
5.	Employee Well-being	Risk and Opportunity	Providing a safe and healthy work environment, work-life balance, and employee development opportunities are essential for employee satisfaction, productivity, and overall organizational success.	Prioritize employee well-being through initiatives like flexible work arrangements, mental health support, and professional development opportunities.	Improving employee well-being and creating an inclusive work environment can enhance productivity, reduce turnover, and attract top talent.

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURE

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and Management Process									
1. (a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(b) Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
(c) Web Link of the Policies, if available	<ol style="list-style-type: none"> <li>Code of Conduct for Directors and Senior Management - <a href="https://investor.kfintech.com/wp-content/uploads/2022/07/KFintech_Code-of-Conduct-for-Directors-and-Senior-Management.pdf">https://investor.kfintech.com/wp-content/uploads/2022/07/KFintech_Code-of-Conduct-for-Directors-and-Senior-Management.pdf</a></li> <li>Corporate Social Responsibility (CSR) Policy - <a href="https://investor.kfintech.com/wp-content/uploads/2022/11/KFintech_CSR-Policy.pdf">https://investor.kfintech.com/wp-content/uploads/2022/11/KFintech_CSR-Policy.pdf</a></li> <li>Policy on Board Diversity - <a href="https://investor.kfintech.com/wp-content/uploads/2022/07/KFintech_Policy-on-Board-Diversity.pdf">https://investor.kfintech.com/wp-content/uploads/2022/07/KFintech_Policy-on-Board-Diversity.pdf</a></li> <li>Whistle Blower and Vigil Mechanism Policy - <a href="https://investor.kfintech.com/wp-content/uploads/2022/07/KFintech_Whistle-Blower-and-Vigil-Mechanism-Policy.pdf">https://investor.kfintech.com/wp-content/uploads/2022/07/KFintech_Whistle-Blower-and-Vigil-Mechanism-Policy.pdf</a></li> <li>Information Security Policy - <a href="https://investor.kfintech.com/wp-content/uploads/2022/11/Information-Security-Policy.pdf">https://investor.kfintech.com/wp-content/uploads/2022/11/Information-Security-Policy.pdf</a></li> </ol>								
2. Whether the entity has translated the policy into procedures	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	While there are no specific national or international standards mandated for the formulated policies, the policies of KFin Technologies Limited comply with relevant regulatory requirements, wherever applicable. The Information Security Management system policies align with the ISO/IEC 27001:2013 standards. The Company has renewed its ISO 9001:2015 certification for its state-of-the-art Quality Management System. Also it has renewed its SOC 1 Type 2 certification for FY 2022-23 to reflects its commitment to maintain the highest standard of data security and operational excellence.								
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any.	The Company thrives on technology to digitise and drive automations across most of its processes to ensure operational efficiencies and delivery excellence. As such, our goal is to invest in new products and digital platforms for different asset classes to drive paperless transactions.  We have been actively taking conscious efforts to replace our existing equipment systems across infrastructure with energy efficient equipment.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company has active steering committees for strategic functions which meet on a periodic basis to review and discuss internal control, processes and governance.								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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**Government Leadership and oversight**

- |  |  |
|--|--|
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements <i>(listed entity has flexibility regarding the placement of this disclosure)</i> | Refer to the message of Mr. Sreekanth Nadella (CEO and MD) in the Annual Report  |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).  | Mr. Sreekanth Nadella, CEO and MD  |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.  | The Company has Corporate Social Responsibility Committee, for details refer to the Corporate Governance Report in the Annual Report |

**10. Details of review of NGRBCs by the Company:**

Subject for review	Indicate whether review was undertaken by the Director/Committee of the Board/Any other Committee									Frequency (Annually/ Half-yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Performance against above Board and its committees periodically review the policies and evaluate the performance of policies and follow up action the Company against the NGRBC principles to the extent applicable and possible.																	
Compliance with statutory requirements of relevance to the principles and rectification of any non – compliance																		

**11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.**

The Company conducts external audits periodically to comply with regulatory and statutory requirements. However, it has not yet conducted a specific independent audit on the National Guidelines on Responsible Business Conduct principles.

**12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:**

Not applicable

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

#### ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

The Company has the plan in place to provide the above training in the financial year 2023-24; however the Company provides training related to code of conduct which, inter-alia, includes some of human rights, compliance, etc.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

Monetary					
	Name of the regulatory / enforcement agencies / judicial institutions	NGRBC Principle	Amount (₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	N.A.	N.A.	N.A.	N.A.	N.A.
Settlement	SEBI		₹ 9.12 million	See note below	No
Compounding Fee	N.A.	N.A.	N.A.	N.A.	N.A.

Non-Monetary				
	Name of the regulatory/ enforcement agencies/ judicial institutions	NGRBC Principle	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.

Note: The Company received a Show Cause Notice (“SCN”) from SEBI related to its issuer services business. SEBI pointed out certain observations. It was an industry issue due to various regulatory changes brought in by SEBI in short period of time. To conclude the matter early, KFinTech decided to settle the matter with SEBI and move on. Accordingly, SEBI issued a settlement order dated November 4, 2022 (“the Order”). It is to be noted that the Order issued by the SEBI clearly states that the proposal of KFinTech to settle the matter was without admitting or denying the findings of fact and conclusions of law, through a settlement order.

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

None

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

The Company has a Code of conduct and Business Ethics Policy in place with states that, no employee within the organization shall be involved in offering or receiving any bribe. The Company monitors these incidents. The Company also takes into consideration that its vendors and suppliers are not involved in any corruption and bribery activities.

The policy also states that employees are not allowed to exchange gifts unless it is approved from the Head of Human Resource. Gifts which are exchanged with clients are documented in a Gift Register by the Human Resource Department.

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

None

**6. Details of complaints regarding conflict of interest:**

	FY 2022-23		FY 2021-22	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors		Not Applicable		
Number of complaints received in relation to issues of Conflict of Interest of the KMPs		Not Applicable		

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable.

**LEADERSHIP INDICATORS**

**1. Awareness programmes conducted for value chain partners on any of the principles during the financial year.**

None

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**

Yes, the organization has a policy for Code of Conduct For Directors and Senior Management, which states that all the members of the board shall exercise their duties objectively and constructively, upholding the ethics of the organization. The Company further expects each director to safeguard the interests of all the stakeholders by balancing conflicting interests amongst stakeholder and themselves.

This policy reflects KFinTech’s strict adherence to maintain good faith in order to achieve benefits of its members, employees, shareholders, community and the environment.

## PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

### ESSENTIAL INDICATORS

- 1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

None, considering the nature of business that the Company is into.

- 2. (a) Does the entity have procedures in place for sustainable sourcing? - Yes**  
**(b) If yes, what percentage of inputs were sourced sustainably?**

KFin Technologies Limited sources most of its electronic devices such as laptops, servers, desktops, etc. from partners who are sourcing their products sustainably.

- 3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Type of Product	Process
Plastics	Plastic waste is collected and handed over to municipal/ government agencies for its recycle/ disposal.
E waste	In compliance with the Waste Management Policy adopted by the Company and done through approved recyclers.
Hazardous Waste	Not Applicable. No hazardous waste is generated due to the nature of business.
Other Waste	In compliance with the Waste Management Policy adopted by the Company and done through approved recyclers.

- 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Not Applicable

### LEADERSHIP INDICATORS

- 1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

Not applicable owing to the nature of business.

- 2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Not applicable.

- 3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Not applicable.

- 4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

Not applicable

- 5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Not applicable.

## PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

### ESSENTIAL INDICATORS

#### 1. (a) Details of measures for the well-being of employees:

Category	Total (A)	% of Employees covered									
		Health insurance care facilities		Accident insurance		Maternity Benefits		Paternity benefits		Day care facilities	
		No. (B)	(B/A) %	No. (C)	(C/A) %	No. (D)	(D/A) %	No. (E)	(E/A) %	No. (F)	(F/A) %
<b>Permanent Employees</b>											
Male	3,879	3,879	100%	3,879	100%	-	0%	3,879	100%	3,879	100%
Female	1,248	1,248	100%	1,248	100%	1,248	100%	-	0%	1,248	100%
<b>Total</b>	<b>5,127</b>	<b>5,127</b>	<b>100%</b>	<b>5,127</b>	<b>100%</b>	<b>1,248</b>	<b>24%</b>	<b>3,879</b>	<b>76%</b>	<b>5,127</b>	<b>100%</b>
<b>Other than Permanent Employees</b>											
Male	339	339	100%	339	100%	-	0%	-	0%	-	0%
Female	174	174	100%	174	100%	174	100%	-	0%	-	0%
<b>Total</b>	<b>513</b>	<b>513</b>	<b>100%</b>	<b>513</b>	<b>100%</b>	<b>174</b>	<b>34%</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>0%</b>

#### (b) Details of measures for the well-being of workers:

The company does not employ any workers.

#### 2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	N.A.	Yes	100%	N.A.	Yes
Gratuity	100%	N.A.	Yes	100%	N.A.	Yes
ESI	52%	N.A.	Yes	58%	N.A.	Yes
Others (please Specify)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

#### 3. Accessibility of Workplace-

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the premises/offices of the entity are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016

#### 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the entity has a Code of Conduct policy which mandates all the employees to conduct themselves with a high degree of professional ethics, fairness and transparency. The organization does not discriminate any employee on the basis of caste, creed, race, gender or sexual identity.

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees	
	Return to Work Rate	Retention Rate
Male	100.00%	80.65%
Female	99.31%	70.14%
<b>Total</b>	<b>99.66%</b>	<b>75.40%</b>

\*The company does not have any permanent workers.

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

If yes, give details of the mechanism in brief (Yes/No)	
Permanent workers	Not Applicable
Other than Permanent workers	Not Applicable
Permanent Employees	Yes, Employees can report any incident about workplace issues like financial and auditing concerns, Sexual harassment, theft, substance abuse, ethics violation, Workplace violence unsafe conditions etc by visiting <a href="http://www.convercent.com/report">www.convercent.com/report</a> . The platform helps the Company to keep a track of the grievances raised by employees around multiple issues and resolve them in a timely manner.
Other than permanent Employees	

## 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

The Company does not have any employee's association. However, the company acknowledges and respects the right to freedom of association, and it does not discourage or impede collective bargaining.

## 8. Details of training given to employees and workers:

Category	FY 2022-23				FY 2021-22					
	Total (A)	On health and safety/ wellness measures		On skill upgradation		Total (D)	On health and safety/ wellness measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	3,879	990	25.5%	2,625	67.70%	4,033	The Company started maintaining the respective datasets starting from FY 2022-23			
Female	1,248	350	28%	922	73.90%	1,301				
<b>Total</b>	<b>5,127</b>	<b>1,340</b>	<b>26.1%</b>	<b>3,547</b>	<b>69.20%</b>	<b>5,334</b>				

## 9. Details of performance and career development reviews of employees:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No.(B)	% (B/A)	Total(C)	No.(D)	% (D/C)
<b>Permanent Employees</b>						
Male	3,879	3,542	91%	4,033	3,021	75%
Female	1,248	1,120	90%	1,301	909	70%
<b>Total</b>	<b>5,127</b>	<b>4,662</b>	<b>91%</b>	<b>5,334</b>	<b>3,930</b>	<b>73%</b>

## 10. Health and safety management system:

### (a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such a system?

There are no significant occupational health and safety risks associated with the operations considering the nature of business. However, the Company is committed to provide safe working conditions to all employees at all times and ensures effectiveness of the same.

**(b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Regular fire drills are conducted at the company's operating premises to assess and mitigate risks. Employees receive first aid training to effectively identify and handle any unforeseen situations. Additionally, employees provide feedback on various safety and health considerations, ensuring a collaborative approach towards maintaining a secure and healthy work environment.

**(c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Due to the nature of the business, employees are not exposed to any occupational hazards. However, the company still conducts fire drills and provides trainings to ensure that employees are equipped with strategies to safely remove themselves from any potential hazards.

**(d) Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)		None	None
Total recordable work-related injuries	Permanent Employees	None	None
No. of fatalities		None	None
High consequence work-related injury or ill-health (excluding fatalities)		None	None

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

Ensuring a safe and healthy workplace is inevitable for KFinTech. We have implemented various measures to achieve this goal. Here are some common measures taken by KFinTech to ensure a safe and healthy workplace:

- 1. Safety Policies and Procedures:** KFinTech establishes comprehensive EHS policy and SOPs that outline guidelines and protocols for employees to follow. These policies cover areas such as security, access control, emergency response and reporting to ensure the safety of employees.
- 2. Risk Assessments:** Regular risk assessments are conducted to identify potential threats in the workplace. This involves evaluating the workplace environment, equipment, and processes to employee health and safety. Accordingly, KFinTech has covered risk assessment under crises management and business continuity program in Admin manual.
- 3. Safety Equipment and Facilities:** KFinTech provide necessary safety equipment and facilities to protect employees. This may include personal protective equipment like gloves and advanced equipment for technicians. Entities also ensure the availability of safety features in the workplace, such as firefighting sprinklers, fire extinguishers, emergency exits, and properly maintained equipment.
- 4. Incident Reporting and Investigation:** Entities establish clear procedures for employees to report incidents, accidents, and near-misses, named as root cause analysis (RCA). This encourages a proactive approach to safety and allows the entity to investigate the causes, identify trends, and take corrective actions to prevent similar incidents in the future.

Implementing these measures, KFinTech demonstrates their commitment to providing a safe and healthy workplace, fostering employee well-being, and minimizing risks to employees' health and safety.

**13. Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	None	0	0	None
Health & Safety	0	0	None	0	0	None

**14. Assessments for the year:**

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices	None. There were no assessments conducted during the year on these lines.
Working Conditions	

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Being a service-based industry, there were no safety related incidents reported.

**LEADERSHIP INDICATORS****1. Does the entity extend any life insurance or any compensatory package in the event of death of Employees (Y/N)**

Yes.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

The company ensures that any applicable statutory payments related to transactions within its scope are deducted and deposited in compliance with regulatory requirements. This process is also subject to review during both internal and statutory audits. The company expects its partners in the value chain to adhere to business responsibility principles and uphold the values of transparency and accountability.

**3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	Nil	Nil	Nil	Nil

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

Yes

**5. Details on assessment of value chain partners:**

% of value chain partners (by value of business done with such partners) that were assessed	
Health and safety practices	None. No assessments were conducted in the reporting period.
Working Conditions	

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Not Applicable.

## PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

### ESSENTIAL INDICATORS

#### 1. Describe the processes for identifying key stakeholder groups of the entity.

Any individual or group of individuals or institution that adds value to the business chain of the Corporation is identified as a core or key stakeholder. This inter alia includes employees, shareholders and investors, customers, channel partners and key partners, regulators, lenders, research analysts, communities and suppliers amongst others.

#### 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Sr. No	Stakeholder Group	Whether identified as Vulnerable and Marginalized Group	Channels of communication	Frequency of engagement	Purpose and Scope of engagement
1	Shareholders	No	Email, Newspaper advertisements, Meetings	Annually / Half Yearly / Quarterly / Need basis	Financial and Business performance
2	Clients	No	Email, Mobile Apps, Surveys, Websites, Face to face meetings	Annually / Half Yearly / Quarterly / Monthly/ Weekly/ Need basis	Service delivery and feedback
3	Employees	No	Internal communications	Frequently	Team building, Townhalls, career growth, skill development trainings, safe workplace
4	Communities	Yes	Meeting, Newspaper, Notices	As and when needed	Implementation of CSR activities promoting education, preventive health care and sanitation, and Ecological balance and animal welfare.
5	Government	No	Meeting, Newspaper, Notices	As and when needed	Industry representations, and meetings

### LEADERSHIP INDICATORS

#### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The organization strongly values maintaining ongoing engagement with its primary stakeholders to enhance communication regarding its performance and strategy. As part of this commitment, the company actively seeks opportunities to interact with key stakeholders to gain insights into their perspectives, concerns, grievances, and suggestions regarding the environmental, social, and governance (ESG) material issues. The exchange of ideas and information between stakeholders, company management, and board members, as well as interactions with officials, occurs through a diverse range of engagement channels.

#### 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Company identifies the CSR activities in active engagement with the key stakeholder groups.

#### 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The company engages with vulnerable and marginalized stakeholders through various CSR projects: -

**Project 1:** Jinnaram Tribal School develops and enhances Skills by providing computer lab with complete set up along with internet connections, Provided digital boards, RO installation, courtyard upliftment and CCTV coverage and sports equipment for Cricket and Basketball

**Project 2:** Telangana Tribal Welfare Residential Degree College for Women ("TTWRDC") in Rajanna Sircilla district for the Fine Arts college, provides fashion designing material, interior design equipment, PHOTOGRAPHY EQUIPMETS, Books related to Fine Arts; CCTV, Complete Computer lab set up, courtyard upliftment, Laptops, Air Conditioners etc.

**Project 3:** Telangana Tribal Welfare Degree College for Women has provided Inclinator to 15 Women colleges.

## PRINCIPLE 5 Businesses should respect and promote human rights

### ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	5,127	5,127	100%	5,334	5,334	100%
Other than permanent	513	0	0%	618	0	0%
<b>Total Employees</b>	<b>5,640</b>	<b>5,127</b>	<b>91%</b>	5,952	5,334	90%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>										
Male	3,879	164	4.23%	3,715	95.74%	4,033	81	2.01%	3,952	97.99%
Female	1,248	81	6.49%	1,167	93.39%	1,301	47	3.61%	1,254	96.39%
<b>Other than Permanent</b>										
Male	339	209	61.65%	130	38.35%	435	253	58.16%	182	41.84%
Female	174	116	66.67%	58	33.33%	183	126	68.85%	57	31.15%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	8	3.67 million	1	2.25 million
Key Managerial Personnel**	1	16.47 million	1	1.93 million
Employees other than BoD and KMP	3,877	0.3 million	1,247	0.2 million
Workers	N.A.	N.A.	N.A.	N.A.

\* BoD includes MD and eight other Non-Executive Directors

\*\* MD is included in BOD

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The Human Resource department is responsible for addressing human rights impact or issues caused or contributed to by the business

5. Describe the internal mechanisms in place to redress grievances related to human rights issues

Yes, Employees can report any incident about human rights issues by visiting [www.convercent.com/report](http://www.convercent.com/report).

**6. Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	Nil	NA	Nil	Nil	N.A.
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour/Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other Human Rights related issues	Nil	Nil	NA	Nil	Nil	NA

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Yes. We have a reporting mechanism in place where employees can report any incidents about discrimination and harassment by visiting [www.convercent.com/report](http://www.convercent.com/report). We also have a POSH policy in place to prevent cases of sexual harassments. Any employee or aggrieved women may file a written complaint of harassment to an Internal committee to address the issues of harassment.

Weblink: [https://www.kfintech.com/wp-content/uploads/2021/06/KFin-PoSH-Policy-v1.1\\_updated.pdf](https://www.kfintech.com/wp-content/uploads/2021/06/KFin-PoSH-Policy-v1.1_updated.pdf).

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No):**  
 No, the same is being implemented in current financial year.

**9. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	None
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

Not applicable.

**LEADERSHIP INDICATORS**

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

The organization has not encountered any instances of complaints or grievances related to human rights violations.

**2. Details of the scope and coverage of any Human rights due-diligence conducted.**

The organization has established a Code of Conduct to guarantee the adherence and respect for all human rights protocols. This ensures that proper protocols are in place and diligently followed.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

**4. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	None
Wages	
Others – please specify	

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

Not applicable.

**PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment**  
**ESSENTIAL INDICATORS**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A) (GJ)	12,577.39	13,925.72
Total fuel consumption (B) (GJ)	100.35	111.15
Energy consumption through other sources (C) (GJ)	0	0
<b>Total energy consumption (A+B+C) (GJ)</b>	<b>12,677.74</b>	<b>14,036.87</b>
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	₹ 1.79 GJ per million	₹ 2.24 GJ per million

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.: No

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No.

**3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
i. Surface Water	-	-
ii. Groundwater	4,475.8	2,553.6
iii. Third Party Water	2,983.8	1,702.4
iv. Seawater/Desalinated Water	-	-
v. Others	-	-
<b>Total Volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>7,459.6</b>	<b>4,255.9</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>7,459.6</b>	<b>4,255.9</b>
<b>Water intensity per rupee of turnover</b>	₹ 1.03 kl per million	₹ 0.68 kl per million

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.: No

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Owing to the nature of business, the Company does not release any untreated effluent and is in complete compliance with regulations. The company recycles its wastewater post treatment for flushing purposes.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Owing to the nature of business, the Company does not have major air emissions as such and hence not monitoring currently.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	24.80	27.48
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	2,829.80	3,133.20
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>		₹ 0.40 metric tonne per million	₹ 0.51 metric tonne per million

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.: No

7. Does the entity have any project related to reducing Greenhouse Gas emission? If yes, then provide details.

None

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	NA	NA
E-waste (B)	10.80	0
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	35.16	7.20
Battery waste (E)	2.72	0
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	NA	NA
Other Non-hazardous waste generated (Paper)* (H)	68.13	26.76
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>116.81</b>	<b>33.96</b>

\*Paper waste is considered as "Non-hazardous (H)" and the increase over FY 2021-22 was attributed to the exercise of one-time clean-up of paper waste piled up from COVID-19 period. Also, additional paper waste was generated owing to one-time impact on account of change of the Company brand logo and subsequent one-time impact on account of change in name of the Company from "KFin Technologies Private Limited" to "KFin Technologies Limited".

**For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)**

Category of waste	FY 2022-23	FY 2021-22
(i) Recycled	81.65	26.76
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
<b>Total</b>	<b>81.65</b>	<b>26.76</b>

**For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)**

Category of waste	FY 2022-23	FY 2021-22
(i) Incineration	NA	NA
(ii) Landfilling	NA	NA
(iii) Other disposal operations	35.16	7.20
<b>Total</b>	<b>35.16</b>	<b>7.20</b>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The Company has effective systems in place to ensure the effective and proper disposal of wastes. No hazardous and toxic chemicals were generated owing to the nature of business.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

The entity does not have any operations or offices in ecologically sensitive areas.

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Not applicable, as no impact assessments were undertaken in FY 2023

12. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes, the entity is compliant with all the applicable environmental law/ regulations/ guidelines based on its nature of business.

## LEADERSHIP INDICATORS

1. **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2022-23	FY 2021-22
<b>From renewable sources</b>		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	-	-
<b>From non-renewable sources</b>		
Total electricity consumption (D) (GJ)	12,577.39	13,925.72
Total fuel consumption (E) (GJ)	100.35	111.15
Energy consumption through other sources (F)	-	-
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>12,677.74</b>	<b>14,036.87</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.: No

2. **Provide the following details related to water discharged:**

Given the nature of business, since water consumption is limited to office use, waste water treatment process is not being carried out in the operating premises.

3. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility / plant located in areas of water stress, provide the following information:

(i) **Name of the area**

(ii) **Nature of operations**

(iii) **Water withdrawal, consumption and discharge in the following format:**

Not Applicable as none of the offices are located in water stressed areas and owing to the nature of business.

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

The Company is yet to formulate its GHG inventory for Scope 3 emissions and is not tracking as of now.

**5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable.

**6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No	Initiative undertaken	Details of the initiative ( <i>Web-link, if any, may be provided along-with summary</i> )	Outcome of the initiative
1	Sewage Treatment Plant (STP)	Total water discharged is treated and reused for internal purposes.	Reduced water consumption.
2	Sensor based Urinals	To reduce water consumption in our day-to-day operations sensor-based urinals were implemented.	Reduced water consumption.
3	Occupancy Sensor	Reduce the energy consumption in unused space.	Improved energy efficiency and GHG emission
4	Re-shifting of equipment	Additional cooling requirements are reduced	Improved energy efficiency and GHG emission
5	Replacement of CFL with LED	Energy efficiency initiative	Improved energy efficiency and GHG emission
6	Adopted VRV in new projects	Energy efficiency initiative	Improved energy efficiency and GHG emission
7	Vendor selection based on waste recycling/disposal certificate.	Safe disposal/recycle of waste	Improved recycling of waste.

**7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.**

Yes, the Company has business continuity and disaster management plan as per the regulatory requirements. The Company has a disaster recovery site in Bengaluru, Karnataka built to ensure business continuity across all our critical functions in the event of a disaster which is connected on a real time basis, ensuring continuous availability and data replication and redundancy.

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

There are no reportable adverse impacts on the environment due to the business activities.

**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

None.

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**ESSENTIAL INDICATORS**

**1. (a) Number of affiliations with trade and industry chambers/ associations.**

The Company has one affiliation.

**(b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Registrar Association of India	National

**2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

No such adverse orders from regulatory authorities were reported in the reporting period. KFinTech believes in fair competition by following the highest governance standards and processes and does not indulge into any unfair business or trade practices.

**LEADERSHIP INDICATORS**

**1. Details of public policy positions advocated by the entity.**

The Company engages in advocacy for industry-related policies by collaborating with industry associations such as the Registrar Association of India. Within the Company, there are designated officials who are authorized to communicate with industrial bodies and handle government affairs. Through this association, the Company has actively represented and worked towards implementing beneficial and inclusive development policies for the entire industry.

## PRINCIPLE 8 Business should promote inclusive growth and equitable development

### ESSENTIAL INDICATORS

- 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

None

- 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Not applicable.

- 3. Describe the mechanisms to receive and redress grievances of the community.**

Grievances of the community are received and resolved by the CSR Committee which works closely with them on various CSR projects.

- 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	40	30
Sourced directly from within the district and neighbouring districts	20	10

### LEADERSHIP INDICATORS

- 1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Not applicable.

- 2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.**

None

- (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

No

- (b) From which marginalized /vulnerable groups do you procure?**

Not applicable

- (c) What percentage of total procurement (by value) does it constitute?**

Not applicable

- 4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Not applicable.

- 5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Not applicable.

- 6. Details of beneficiaries**

The details is provided in the CSR Report forming part of the Annual Report.

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**  
**ESSENTIAL INDICATORS**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company provides services to the investors of its clients. Such investors have multiple channels to raise complaints, including through SEBI Scores, direct email, phone, or by submitting their complaint at our branch office or Investor Service Centre (ISC). Once a complaint is received, our team promptly contacts the investor to understand their grievance, if necessary. The team takes every effort to resolve the issue as quickly as possible, adhering to the prescribed turnaround time (TAT) set by SEBI. The resolution is also effectively communicated to the investors.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about Environmental and social parameters relevant to the product, Safe and responsible usage and Recycling and/or safe disposal.**

Not Applicable.

**3. Number of consumer complaints in respect of the following:**

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	N.A	Nil	Nil	N.A
Advertising	Nil	Nil	N.A	Nil	Nil	N.A
Cyber-security	Nil	Nil	N.A	Nil	Nil	N.A
Delivery of essential services	Nil	Nil	N.A	Nil	Nil	N.A
Restrictive Trade Practices	Nil	Nil	N.A	Nil	Nil	N.A
Unfair Trade Practices	Nil	Nil	N.A	Nil	Nil	N.A
Others	11,170	67	The complaints are primarily related to the investor's services in the ordinary course of its business	Nil	Nil	N.A

**4. Details of instances of product recalls on account of safety issues:**

Not Applicable.

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, KFinTech has implemented a robust security framework for Information & Cyber Security that aligns with industry standards like ISO 27001:2013 for Information Security Management Systems. We have meticulously developed Policies and Procedure documents in accordance with the requirements of this standard, which have been approved by management. These policies and procedures undergo regular review, at least once a year, and are promptly updated whenever there are any changes in the established processes. A comprehensive version history is maintained to effectively track and document any modifications made. The Policy on Information Security can be accessed at [Information-Security-Policy.pdf \(kfintech.com\)](#). The Company has BitSight score of 800.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Not Applicable.

## LEADERSHIP INDICATORS

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Information related to the various services provided by the Company are available on the Company's website, <https://www.kfintech.com/>. In addition, the Company makes use of multiple social media and digital platforms to spread awareness about its services.

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Not applicable owing to the nature of business.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

The company informs the customers in event of any disruption/discontinuation of essential services via Emails and SMS.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

The company provides information about services as mandated by legal requirement. Distributors and Investors are encouraged to rate the Company's services on satisfaction levels.

**5. Provide the following information relating to data breaches:**

- a. **Number of instances of data breaches along-with impact** – None
- b. **Percentage of data breaches involving personally identifiable information of customers** – Not applicable.

# Independent Auditor's Report

To the Members of KFin Technologies Limited (Formerly known as KFin Technologies Private Limited)

Report on the Audit of the Standalone Financial Statements

## Opinion

We have audited the standalone financial statements of KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) (the "Company") which comprise the standalone balance sheet as at 31 March 2023, 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 significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and together with the overriding effect of the scheme of arrangement as approved by the National Company Law Tribunal ('NCLT'), regarding accounting of the amalgamation of Karvy Computershare Private Limited (KCPL) and the 'RTA Undertaking' of Karvy Consultants Limited (KCL) into the Company, as explained in Para A of Emphasis of Matters section below, 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 2023, and its 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 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

## Emphasis of Matters

A. We draw attention to Note 44A of the standalone financial statements regarding the amalgamation of Karvy Computershare Private Limited (KCPL) and the

'RTA Undertaking' of Karvy Consultants Limited (KCL) into the Company accounted for in financial year 2018-2019 with effect from 17 November 2018. In accordance with the scheme approved by National Company Law Tribunal (NCLT), the amalgamation had been accounted for as per Accounting Standard 14 – 'Accounting for Amalgamations'. Accordingly, all assets and liabilities of KCPL and of the RTA Undertaking of KCL had 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 ₹ 6,749.15 million had been debited to goodwill. This goodwill was being amortised over a period of ten years as per the terms of the scheme and was also being tested for impairment every year. Such accounting treatment of this transaction was different from that prescribed under Ind AS 103 – 'Business Combinations' which became applicable to the Company from the year ended 31 March 2019 and which requires assets, liabilities and consideration to be measured at fair value and goodwill to be tested only for impairment.

On 02 March 2022, the Company obtained approval of NCLT for not amortising goodwill with effect from 01 April 2021.

B. We draw attention to Note 36 of the standalone financial statements, where the pre-amalgamated Company was the Registrar and Transfer Agent ("RTA") of a past client ("the Client") until 5 April 2021. The Client had a demat account with one of the Depository Participants ("DP") for depositing its shares in escrow for the purposes of its initial public offering ("IPO"). The Company identified that 1,294,489 shares were transferred by the DP (in 2011 and 2020) from the said escrow account of the Client to the DP's own demat account and to a Third Party's demat account through an off-market transaction without any authorisation from the Client. The Board of Directors of the Company after considering legal advice transferred 1,294,489 shares to the escrow account of the Client on a 'good faith and no fault' basis, after reducing the amount payable upon redemption, in future, of the Redeemable Preference Shares (refer Note 20(i)(a) to the standalone financial statements) issued in October 2021, by ₹ 300 million (Refer Note 20(i)(b) to the standalone financial statements), pursuant to an indemnity clause contained in the agreement for the issuance of such

## Independent Auditor's Report (Continued)

Redeemable Preference Shares. The dividend received on such shares by the Company in the financial year 2021-22 of ₹ 4.08 million was also transferred back to the Client.

The Company has recognised an amount of ₹ 72.56 million as a provision as of 31 March 2023 in the standalone financial statements related to potential claims by the Client (including dividends on such shares for the earlier periods). Pending the final settlement of terms to be agreed with the Client, the Company has measured the said provision at its best estimate. The Company will initiate proceedings against the concerned parties, including certain minority shareholders, for recovery of the amount paid and payable by the Company to the Client in

connection with this matter upon completion of final settlement with the Client.

Our opinion is not modified in respect of these matters.

### Key Audit Matter

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

### Key Audit Matter

See Note 2(K) to standalone financial statements

#### The key audit matter

##### Revenue Recognition

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".

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 which is inconsistent with the contractual terms agreed with the customers.

#### How the matter was addressed in our audit

Our audit procedures included the following:

1. Assessed the Company's revenue recognition policies for compliance with Ind AS.
2. Evaluated the design and implementation and tested the operating effectiveness of the relevant key internal controls with respect to revenue recognition
3. Performed substantive testing on samples selected using statistical sampling method for revenue transactions recorded during the year by testing the underlying documentation/ records;
4. Involved our information technology specialists to test the general information technology controls and key application controls surrounding revenue recognition;
5. Tested on a sample basis using statistical sampling method, specific revenue transactions recorded before and after the financial year end date to check revenue recognition in the correct financial period; and
6. Carried out year on year variance analysis on revenue recognised during the year to identify unusual variances.

### 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 annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate

## Independent Auditor's Report (Continued)

the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

### Management's and Board of Directors' Responsibilities for the Standalone 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 financial statements that give a true and fair view of the state of affairs, profit/ loss 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 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 financial statements, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including

## Independent Auditor's Report (Continued)

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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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.
  2. **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 financial statements, read together with the matter referred to in para A of Emphasis Matter section 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 01 April 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us**
- a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 35 to the standalone financial statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 52 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any

## Independent Auditor's Report (Continued)

manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 52 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- e. The Company has neither declared nor paid any dividend during the year.

- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

### **C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:**

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.:116231W/W-100024

**Amit Kumar Bajaj**

Partner

Membership No.: 218685

ICAI UDIN:23218685BGXHIO9513

Place: Mumbai  
Date: 05 May 2023

## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) for the year ended 31 March 2023

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) 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 a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 2 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) 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 revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) 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 been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. However, based on the e-mail confirmations received from the banks, the Company is not required to file any quarterly returns or statements since the Company has not availed the working capital limits so sanctioned at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not provided any guarantee or security or granted any loans, or any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) and 3(iii)(c) to 3(iii)(f) of the Order are not applicable to the Company. The Company has made investments in companies and other parties during the year. The Company has not made any investments in firms and limited liability partnerships.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that investments made during the year are, prima facie, not prejudicial to the interest of the Company.
- (iv) 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 given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) for the year ended 31 March 2023 (Continued)

- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues were in arrears as at 31 March 2023 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 Duty of Customs.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues referred to in sub-clause (a) above which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (in ₹ million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income taxes	4.75	FY 2007-08	High Court of Telangana
Income Tax Act, 1961	Income taxes	0.91	FY 2015-16	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income taxes	1.09	FY 2016-17	The Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income taxes	3.11	FY 2017-18	The Deputy Commissioner of Income Tax

- (viii) 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 surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate company as defined under the Act.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate company (as defined under the Act).

- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

- (b) 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 made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) for the year ended 31 March 2023 (Continued)

- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.:116231W/W-100024

**Amit Kumar Bajaj**

Partner

Place: Mumbai

Date: 05 May 2023

Membership No.: 218685

ICAI UDIN:23218685BGXHIO9513

## **Annexure B to the Independent Auditor's Report on the standalone financial statements of KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) for the year ended 31 March 2023**

### **Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(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 KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone 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 2023, 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 and Board of Directors' Responsibilities 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 Act.

#### **Auditor's 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 if 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 internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 standalone 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

## Annexure B to the Independent Auditor's Report on the standalone financial statements of KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) for the year ended 31 March 2023 (Continued)

transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 standalone 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

Firm's Registration No.:116231W/W-100024

**Amit Kumar Bajaj**

Partner

Membership No.: 218685

ICAI UDIN:23218685BGXHIO9513

Place: Mumbai

Date: 05 May 2023

# Standalone Balance Sheet

(All amounts are in ₹ millions, unless otherwise stated)

Particulars	Note	As at	
		31 March 2023	31 March 2022
<b>I. ASSETS</b>			
<b>(1) Non-current assets</b>			
Property, plant and equipment	3	392.81	336.30
Capital work in progress	3	0.21	6.33
Right-of-use assets	6	260.11	322.70
Goodwill	4	5,162.56	5,162.56
Other intangible assets	5	693.74	466.50
Intangible assets under development	5	397.50	339.44
Financial assets			
(i) Investments	7	679.16	539.16
(ii) Other financial assets	8	50.98	61.44
Non-current tax assets (net)	9	305.21	363.09
Other non-current assets	10	7.24	12.05
<b>Total non-current assets</b>		<b>7,949.52</b>	<b>7,609.57</b>
<b>(2) Current assets</b>			
Financial assets			
(i) Investments	11	2,220.66	930.83
(ii) Trade receivables	12	1,176.43	1,070.64
(iii) Cash and cash equivalents	13	570.00	309.22
(iv) Bank balances other than cash and cash equivalents	14	150.10	1.23
(v) Loans	15	-	1.41
(vi) Other current financial assets	16	196.85	187.08
Other current assets	17	174.46	84.85
<b>Total current assets</b>		<b>4,488.50</b>	<b>2,585.26</b>
<b>TOTAL ASSETS</b>		<b>12,438.02</b>	<b>10,194.83</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
Equity share capital	18	1,692.29	1,675.69
Other equity	19	7,024.33	4,781.77
<b>Total equity</b>		<b>8,716.62</b>	<b>6,457.46</b>
<b>LIABILITIES</b>			
<b>(2) Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	20	-	1,225.14
(ii) Lease liabilities	6	248.05	241.94
Provisions	21	-	80.62
Deferred tax liabilities (net)	34	1,212.11	1,218.56
<b>Total non-current liabilities</b>		<b>1,460.16</b>	<b>2,766.26</b>
<b>(3) Current liabilities</b>			
Financial liabilities			
(i) Borrowings	20	1,300.69	-
(ii) Lease liabilities	6	40.75	114.94
(iii) Trade payables	22	-	-
- Total dues of micro enterprises and small enterprises		0.13	0.89
- Total dues of creditors other than micro enterprises and small enterprises		246.79	238.47
(iv) Other financial liabilities	23	351.61	305.99
Other current liabilities	24	120.82	156.68
Provisions	25	51.85	31.80
Current tax liabilities (net)	26	148.60	122.34
<b>Total current liabilities</b>		<b>2,261.24</b>	<b>971.11</b>
<b>Total liabilities</b>		<b>3,721.40</b>	<b>3,737.37</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,438.02</b>	<b>10,194.83</b>
Significant accounting policies	2		

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

As per our Report of even date attached

**for B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 116231 W/W-100024

**Amit Kumar Bajaj**

Partner

Membership No.: 218685

for and on behalf of Board of Directors of

**KFin Technologies Limited**

CIN: L72400TG2017PLC117649

**Vishwanathan M Nair**

Chairman

DIN: 02284165

**Venkata Satya Naga Sreekanth Nadella**

Managing Director &

Chief Executive Officer

DIN: 08659728

**Vivek Narayan Mathur**

Chief Financial Officer

Membership no.:

A089454

**Alpana Uttam Kundu**

Company Secretary

Membership no.:

F10191

Place: Mumbai

Date: 05 May 2023

# Standalone Statement of Profit and Loss

(All amounts are in ₹ millions, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Income</b>			
I. Revenue from operations	27	6,964.50	6,247.09
II. Other income	28	170.40	89.17
<b>III. Total Income (I+II)</b>		<b>7,134.90</b>	<b>6,336.26</b>
<b>IV. Expenses</b>			
Employee benefits expense	29	2,723.09	2,249.46
Finance costs	30	106.12	528.31
Depreciation and amortisation expense	31	434.48	361.64
Other expenses	32	1,277.11	1,120.55
<b>Total Expenses (IV)</b>		<b>4,540.80</b>	<b>4,259.96</b>
<b>V. Profit before tax (III-IV)</b>		<b>2,594.10</b>	<b>2,076.30</b>
<b>VI. Tax expense:</b>			
Current tax	34	640.13	574.60
Tax of earlier years	34	(3.72)	-
Deferred tax	34	(4.84)	(28.44)
		<b>631.57</b>	<b>546.16</b>
<b>VII. Profit for the year (V-VI)</b>		<b>1,962.53</b>	<b>1,530.14</b>
<b>VIII. Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement gain/ (loss) on defined benefit plans		(6.39)	(10.26)
Income tax on above		1.61	2.58
<b>Total other comprehensive income for the year, net of tax (VIII)</b>		<b>(4.78)</b>	<b>(7.68)</b>
<b>IX. Total comprehensive income for the year (VII+VIII)</b>		<b>1,957.75</b>	<b>1,522.46</b>
X. Earnings per equity share (face value of ₹ 10 each, fully paid-up)	33		
- Basic		11.69	9.72
- Diluted		11.55	9.64
Significant accounting policies	2		

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

As per our Report of even date attached

**for B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 116231 W/W-100024

**Amit Kumar Bajaj**

Partner

Membership No.: 218685

Place: Mumbai

Date: 05 May 2023

for and on behalf of Board of Directors of

**KFin Technologies Limited**

CIN: L72400TG2017PLC117649

**Vishwanathan  
M Nair**

Chairman

DIN: 02284165

Place: Mumbai

Date: 05 May 2023

**Venkata Satya Naga  
Sreekanth Nadella**

Managing Director &  
Chief Executive Officer

DIN: 08659728

Place: Mumbai

Date: 05 May 2023

**Vivek Narayan  
Mathur**

Chief Financial Officer

Membership no.:  
A089454

Place: Mumbai

Date: 05 May 2023

**Alpana Uttam  
Kundu**

Company Secretary

Membership no.:  
F10191

Place: Mumbai

Date: 05 May 2023

# Standalone Statement of changes in equity

(All amounts are in ₹ millions, unless otherwise stated)

## Equity share capital and other equity

Particulars	Equity share capital	Share application money pending allotment	Securities premium	Reserves and surplus				Share based payment reserve	Total other equity	
				Capital reserve	Capital redemption reserve	Debtenture redemption reserve	Retained earnings			General reserve
<b>Opening balance as at 1 April 2021</b>	<b>1,508.44</b>	-	<b>2,282.43</b>	<b>0.10</b>	<b>149.88</b>	<b>75.00</b>	<b>(609.17)</b>	-	<b>28.97</b>	<b>1,927.21</b>
Changes in equity share capital due to prior period errors	-	-	-	-	-	-	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	<b>1,508.44</b>	-	<b>2,282.43</b>	<b>0.10</b>	<b>149.88</b>	<b>75.00</b>	<b>(609.17)</b>	-	<b>28.97</b>	<b>1,927.21</b>
Profit for the year	-	-	-	-	-	-	1,530.14	-	-	1,530.14
Issue of share capital	167.25	-	2,932.77	-	-	-	-	-	-	2,932.77
Share issue expenses	-	-	(209.27)	-	-	-	-	-	-	(209.27)
Extinguishment of rights under shareholders' agreement (Refer Note 18 and Note 19)	-	-	-	-	-	-	(1,482.94)	-	-	(1,482.94)
Transfer to general reserve on repayment of Non-Convertible Debenture's	-	-	-	-	-	(75.00)	-	75.00	-	-
Exercise of employee stock options [Refer Note 45]	-	-	0.01	-	-	-	-	-	(0.01)	-
Share based payments [Refer Note 45]	-	-	-	-	-	-	-	-	91.45	91.45
Share based payments of the options issues to employees of subsidiary	-	-	-	-	-	-	-	-	0.09	0.09
Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	-	-	(7.68)	-	-	(7.68)
<b>Balance as at 31 March 2022</b>	<b>1,675.69</b>	-	<b>5,005.94</b>	<b>0.10</b>	<b>149.88</b>	-	<b>(569.65)</b>	<b>75.00</b>	<b>120.50</b>	<b>4,781.77</b>
<b>Opening balance as at 1 April 2022</b>	<b>1,675.69</b>	-	<b>5,005.94</b>	<b>0.10</b>	<b>149.88</b>	-	<b>(569.65)</b>	<b>75.00</b>	<b>120.50</b>	<b>4,781.77</b>
Changes in equity share capital due to prior period errors	-	-	-	-	-	-	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	<b>1,675.69</b>	-	<b>5,005.94</b>	<b>0.10</b>	<b>149.88</b>	-	<b>(569.65)</b>	<b>75.00</b>	<b>120.50</b>	<b>4,781.77</b>
Profit for the year	-	-	-	-	-	-	1,962.53	-	-	1,962.53
Issue of share capital	-	-	189.06	-	-	-	-	-	-	189.06
Exercise of employee stock options [Refer Note 45]	16.60	6.80	69.73	-	-	-	-	-	(69.73)	6.80
Share based payments [Refer Note 45]	-	-	-	-	-	-	-	-	88.95	88.95
Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	-	-	(4.78)	-	-	(4.78)
<b>Balance As at 31 March 2023</b>	<b>1,692.29</b>	<b>6.80</b>	<b>5,264.73</b>	<b>0.10</b>	<b>149.88</b>	-	<b>1,388.10</b>	<b>75.00</b>	<b>139.72</b>	<b>7,024.33</b>

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

As per our Report of even date attached

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

**Amit Kumar Bajaj**  
Partner  
Membership No.: 218685

Place: Mumbai  
Date: 05 May 2023

for and on behalf of Board of Directors of

**KFin Technologies Limited**  
CIN: L72400TG2017PLC117649

**Vishwanathan M Nair**  
Chairman  
DIN: 02284165

**Venkata Satya Naga Srekanth Nadella**  
Managing Director & Chief Executive Officer  
DIN: 08659728

Place: Mumbai  
Date: 05 May 2023

**Vivek Narayan Mathur**  
Chief Financial Officer  
Membership no.: A089454

**Alpana Uttam Kundu**  
Company Secretary  
Membership no.: F10191

Place: Mumbai  
Date: 05 May 2023

# Standalone Statement of Cash Flows

(All amounts are in ₹ millions, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A. Cash flows from operating activities</b>		
<b>Net profit before tax</b>	<b>2,594.10</b>	<b>2,076.30</b>
Adjustment for:		
Depreciation and amortisation expense	434.48	361.64
Loss/ (profit) on sale of property, plant and equipment, net	1.04	(1.41)
Interest income on deposits	(3.16)	(0.26)
Dividend income from mutual funds	(88.29)	(45.07)
Dividend income from subsidiary	-	(30.34)
Unwinding of discount on deposits	(3.51)	(2.79)
Liabilities no longer required written back	(0.01)	(5.64)
Rent concession income	-	(0.36)
Income on derecognition of Right-of-use of assets and lease liability	(12.88)	(0.69)
Foreign exchange loss (net)	1.85	0.92
Finance costs	106.12	528.31
(Reversal)/ charge towards credit loss allowance on trade receivables and other financial assets	(32.27)	57.08
Credit impaired trade receivables written-off	15.65	23.79
Deposits written off	1.17	2.05
Share based payments	79.93	91.45
Income on fair valuation of financial assets measured at FVTPL, net	-	(7.21)
<b>Operating profit before working capital changes</b>	<b>3,094.22</b>	<b>3,047.77</b>
<b>Working capital adjustments:</b>		
Increase in trade receivables	(93.98)	(73.75)
Increase in other current financial assets	(1.58)	(64.48)
Decrease in loans	1.41	1.28
Decrease/ (increase) in other non-current financial assets	8.36	(6.33)
Increase in other assets	(84.80)	(0.40)
Increase/ (decrease) in trade payables	7.56	(11.14)
Increase in other current financial liabilities	44.06	118.15
(Decrease)/ increase in other current liabilities	(35.86)	42.69
Decrease in provisions	(66.96)	(1.71)
<b>Cash generated from operations</b>	<b>2,872.43</b>	<b>3,052.08</b>
Income taxes paid, net of refund received	(552.27)	(489.36)
<b>Net cash generated from operating activities (A)</b>	<b>2,320.16</b>	<b>2,562.72</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including capital work-in-progress, capital advances, capital creditors and net off proceeds from sale of property, plant and equipment)	(220.37)	(203.65)
Purchase of intangible assets (including intangible assets under development)	(428.60)	(462.52)
Investment in subsidiaries	(75.00)	(386.77)
Investment in associate	(65.00)	-
Fixed deposits (placed)/ redeemed with banks, net	(150.97)	1.87
Investments in mutual funds, net	(1,289.83)	(272.55)
Interest income	3.16	0.26
Dividend income from mutual funds	88.29	45.07
Dividend income from subsidiary	-	30.34
<b>Net cash used in from investing activities (B)</b>	<b>(2,138.32)</b>	<b>(1,247.95)</b>
<b>C. Cash flows from financing activities</b>		
Payment of lease liabilities	(133.52)	(131.41)
Repayment of non-convertible debentures	-	(3,520.00)
Interest paid on non-convertible debentures	-	(392.23)
Expenses towards issue of shares	-	(209.27)
Proceeds from issue of equity shares	-	3,100.02
Proceeds from exercise of employee stock options	212.46	-
Issue of redeemable preference shares repayable at premium	-	0.20
<b>Net cash generated/ (used) in financing activities (C)</b>	<b>78.94</b>	<b>(1,152.69)</b>
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>	<b>260.78</b>	<b>162.08</b>
Cash and cash equivalents at the beginning of the year	309.22	147.14
<b>Cash and cash equivalents at the end of the year</b>	<b>570.00</b>	<b>309.22</b>
<b>E. Reconciliation of Cash and Cash equivalents with the Balance Sheet (Refer Note 13)</b>		
Cash on hand	-	-
Balance with banks:		
(i) in current accounts	570.00	309.22
	<b>570.00</b>	<b>309.22</b>

## Standalone Statement of Cash Flows (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>F. Reconciliation of liabilities arising from financing activities</b>		
<b>Opening balance</b>		
Non-convertible Debentures (secured)	-	3,458.90
Interest accrued and not due on non-convertible debentures	-	2.44
Lease liabilities	356.58	358.52
Redeemable preference shares	0.20	-
Premium on Redeemable preference shares	1,224.94	-
<b>Cash movement</b>		
Non-convertible Debentures (secured)	-	(3,520.00)
Interest accrued and not due on non-convertible debentures	-	(392.24)
Lease liabilities	(133.52)	(131.42)
Redeemable preference shares	-	0.20
Premium on Redeemable preference shares	-	-
<b>Non-cash movement</b>		
Non-convertible Debentures (secured)	-	61.10
Interest accrued and not due on non-convertible debentures	-	389.80
Lease liabilities	65.75	129.78
Redeemable preference shares	-	-
Premium on Redeemable preference shares	75.55	1,224.94
<b>Closing balance</b>		
Non-convertible Debentures (secured)	-	-
Interest accrued and not due on non-convertible debentures	-	-
Lease liabilities	288.80	356.58
Redeemable preference shares	0.20	0.20
Premium on Redeemable preference shares	1,300.49	1,224.94

### Non-cash movement represents:

- with respect to non-convertible debentures (secured), amortisation of processing fees paid as per effective interest rate.
- with respect to interest accrued and not due on non-convertible debentures, amortisation of processing fees paid as per effective interest rate.
- with respect to lease liabilities, additions of new leases, rent concession received, deletions of existing leases and accrual of interest on lease liabilities. Refer Note 6(C).
- with respect to redeemable preference shares, premium payable on redemption. Refer Note 20 for details

Notes: 1) The above Statement of Cash Flow has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Statement of Cash Flows".

Cash comprises cash on hand, current accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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

As per our Report of even date attached

### for B S R & Associates LLP

Chartered Accountants  
ICAI Firm Registration No.: 116231 W/W-100024

**Amit Kumar Bajaj**  
Partner  
Membership No.: 218685

Place: Mumbai  
Date: 05 May 2023

for and on behalf of Board of Directors of

**KFin Technologies Limited**  
CIN: L72400TG2017PLC117649

**Vishwanathan M Nair**  
Chairman  
DIN: 02284165

Place: Mumbai  
Date: 05 May 2023

**Venkata Satya Naga Sreekanth Nadella**  
Managing Director & Chief Executive Officer  
DIN: 08659728

Place: Mumbai  
Date: 05 May 2023

**Vivek Narayan Mathur**  
Chief Financial Officer  
Membership no.: A089454

Place: Mumbai  
Date: 05 May 2023

**Alpana Uttam Kundu**  
Company Secretary  
Membership no.: F10191

Place: Mumbai  
Date: 05 May 2023

# Notes to Standalone Financial Statements

## 1. Reporting entity

KFin Technologies Limited ("the Parent Company") (formerly known as KFin Technologies Private Limited) was incorporated on 08 June 2017 at Hyderabad, India. The Company's registered office is at Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad, "Rangareddy" 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.

The Company was converted into a public limited company under the Companies Act, 2013 on 24 February 2022 and consequently, the name was changed to "KFin Technologies Limited"

## 2. Significant Accounting Policies

### A. Basis of preparation and measurement of Standalone Financial Statement

The Standalone Balance Sheet of the Company as at 31 March 2023, the related Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity, and the Standalone Statement of Cash Flows for the year ended 31 March 2023 and the Significant accounting policies and Other Financial Information (together referred to as 'Standalone Financial Statement') have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rule, 2016 and other relevant provisions of the Act.

The Standalone Financial statement have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the Standalone Financial Statement.

The Standalone Financial Statement 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

This Standalone Financial Statement was authorised for issue by the Board of Directors on 05 May 2023.

### Functional and presentation currency

These Standalone Financial Statement are presented in Indian Rupees ('₹'), which is the Company's functional currency. All amounts have been rounded to the nearest millions, unless otherwise stated.

### 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 Standalone Financial Statement 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).

The Company's CFO determines the appropriate valuation techniques and inputs for fair value measurements. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire

# Notes to Standalone Financial Statements

## 2. Significant accounting policies (continued)

### A) Basis of preparation and measurement of standalone financial statements (continued)

#### Fair value of measurement (continued)

measurement. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Any change in the fair value of each asset and liability is also compared with relevant external sources to determine whether the change is reasonable.

For changes that have occurred between levels in the hierarchy during the year the Company re-assesses categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### Use of judgments and estimates

In preparing these Standalone Financial Statement, 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 Standalone Financial Statement 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.

Changes in estimates are reflected in the financial estimates in the period in which changes are made and if material, their effects are disclosed in the notes to the Standalone Financial Statement.

#### a) Judgements

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

- Note Q - 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.
- Note C - Lease classification and identification of lease component

#### b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the Standalone Financial Statement for 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 J).

- 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 R)

# Notes to Standalone Financial Statements

## 2. Significant accounting policies (continued)

### A) Basis of preparation and measurement of standalone financial statements (continued)

#### Use of judgments and estimates (continued)

- 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 D, E & G)

- 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 Q)

- 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 P).

- 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 Q).

- 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 H)

### B) 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

#### Operating Cycle

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.

# Notes to Standalone Financial Statements

## 2. Significant accounting policies (continued)

### C) Leases

A new lease standard i.e., Ind AS 116 has been notified to be effective w.e.f. 1 April 2019 which provide guidelines for the accounting of the lease contracts entered in the capacity of a lessee and a lessor. For the purpose of preparation of Standalone Financial Statement, the Management has evaluated the impact of change in accounting policies on adoption of Ind AS 116 for the year ended 31 March 2019. Hence in these Standalone Financial Statement, Ind AS 116 has been adopted with effect from 1 April 2018 following modified retrospective method (i.e. on 1 April 2018 the Company has measured the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at initial application date and right-of-use assets are measured at their carrying amount as if Ind AS 116 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application).

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The Company used the following practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17:

- Applied a single discount rate to a portfolio of leases with similar characteristics;

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term and leases of low value;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application;
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease

#### i. As a lessee

As a lessee, the Company recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet. The Company decided to apply recognition exemptions to short-term leases.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of

# Notes to Standalone Financial Statements

## 2. Significant accounting policies (continued)

### C) Lease (continued)

the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate at lease commencement date. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments included in the measurement of the lease liability comprise:

- a. Fixed payments including in-substance fixed payments
- b. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- c. Amounts expected to be payable under a residual value guarantee

#### Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets.

The Company presents right-of-use assets as a separate line in the balance sheet and lease liabilities in 'Financial liabilities' in the Balance sheet.

#### ii. As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

### D) Property, plant and equipment

#### Recognition and measurement

##### Property, plant and equipment

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.

# Notes to Standalone Financial Statements

## 2. Significant accounting policies (continued)

### D) Property, plant and equipment (continued)

#### Recognition and measurement (continued)

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate item (major components) of property, plant and equipment. Any gain or loss on disposal of property, plant and equipment is recognised in Standalone Statement of Profit and loss.

#### Capital work-in-progress

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as other non-current assets.

#### 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.

#### Depreciation

The Company provides depreciation on Property, Plant and Equipment, other than vehicles and leasehold improvements based on the useful life as determined by the Management.

The depreciation is provided under straight-line method.

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 (up to) 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	5-15
Electrical installations	10
Furniture and fixtures	10
Computers	3
Office equipment	5-10
Vehicles	5

### E) Intangible assets

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

Intangible assets are amortised in the Standalone 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 is amortised on straight line basis

Asset category	Estimated useful life (Years)
Computer software	3-10
Customer relationships	5-10

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure are recognised in the Standalone statement of profit and loss as incurred.

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.

### F) Intangible assets under development

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of software purchased, direct salary and overhead costs that are directly attributable to preparing the asset for its intended use.

These assets are not amortised, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment is recognised as an expense in the Standalone statement of profit and loss.

# Notes to Standalone Financial Statements

## 2. Significant accounting policies (continued)

### F) Intangible asset under development (continued)

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

### G) Goodwill

Goodwill on acquisitions of businesses is reported separately from intangible assets.

- i) 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 up to 31 March 2021 (Refer Note 43 and Note 44(B)). Further this Goodwill is also tested for impairment at each reporting period and is carried at cost less accumulated amortization and accumulated impairment losses, if any.

The Company has obtained approval from its Board, shareholders, creditors, National Company Law Tribunal ("NCLT") or any other appropriate authority to modify the accounting treatment for Goodwill mentioned (i) above with effect from 1 April 2021. As per the scheme filed and NCLT order received the treatment of Goodwill with effect from 1 April 2021 shall be done as per applicable accounting standards and / or other applicable accounting policy. Accordingly, as per Ind AS 36 – Impairment of Assets, the Company is required to periodically test the impairment on Goodwill.

Goodwill generated through Business Transfer Agreement (Refer Note 43 and Note 44(B)) is tested for impairment annually, and is carried at cost less accumulated impairment, if any.

### H) 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 Companyed together into the smallest Company of assets that generates the cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash generating unit (CGU).

The recoverable amount of a 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.

### I) 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 Standalone Statement of Profit and Loss.

# Notes to Standalone Financial Statements

## 2. Significant accounting policies (continued)

### J) 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 makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution scheme. The Company's contribution is recognised as an expense in the Standalone Statement of Profit and Loss during the period in which the employee renders the related service.

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.

#### 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 Standalone 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 the Standalone Statement of 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.

#### 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. 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 Standalone Statement of Profit and Loss in the period in which they occur.

### K) Revenue

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration, if any) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various discounts and claims accepted by the Company as part of the contract. 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 recognised upon transfer of control of promised products or services to customers in an amount

# Notes to Standalone Financial Statements

## 2. Significant accounting policies (continued)

### K) Revenue (continued)

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 recognised 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 or on the basis of number of enumerations processed.

Recoverable expenses represent expenses incurred to related 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.

### L) Other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included in other income in the Standalone Statement of Profit and Loss.

Dividends are recognised in Standalone 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) Borrowings and related cost

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

### N) Contract balances

**Contract assets:** The Company classifies its right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset where the right to consideration is unconditional upon passage of time.

**Contract liabilities:** A contract liability (which we referred to as Unearned Revenue) is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is received.

### O) 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.

# Notes to Standalone Financial Statements

## 2. Significant accounting policies (continued)

### P) 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, considering 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 Standalone Financial Statement 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.

### Q) Financial instruments

#### Business model assessment

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 recognises trade receivables and debt securities issued on the date on which they are originated. The Company recognises the other 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 in the case of financial assets are recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables which do not contain a significant financial component are measured at transaction value.

##### 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):

# Notes to Standalone Financial Statements

## 2. Significant accounting policies (continued)

### Q) Financial Instruments (continued)

#### Financial assets (continued)

- 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 considering 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 Standalone Statement of 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.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognized in Standalone Statement of Profit or Loss.

#### 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.

# Notes to Standalone Financial Statements

## 2. Significant accounting policies (continued)

### Q) Financial Instruments (continued)

#### Financial assets (continued)

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.

#### 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:

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 Standalone Statement of Profit or 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 Standalone Statement of Profit or Loss.

# Notes to Standalone Financial Statements

## 2. Significant accounting policies (continued)

### Q) Financial Instruments (continued)

#### Financial liabilities (continued)

##### Financial liabilities

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 Standalone Statement of Profit or Loss.

##### Derecognition of financial liabilities

Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognized in the Standalone Statement of Profit or Loss.

##### 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').

### R) 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.

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

# Notes to Standalone Financial Statements

## 2. Significant accounting policies (continued)

### R) Income taxes (continued)

#### Deferred tax (continued)

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.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

### 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.

### 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. Transaction cost that the Company incurs in connection with business combination such as finders fees, legal fees, due diligence and other professional fees are charged to equity.

Goodwill is measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

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.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination,

# Notes to Standalone Financial Statements

## 2. Significant accounting policies (continued)

### W) Business combinations (continued)

irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

### X) Employee Stock option plan (ESOP)

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in 'Share based payment' reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

### Y) Non-current Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. A sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification. Non-current assets held for sale are neither depreciated nor amortised. Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less cost of sale and are presented separately in the Standalone Balance Sheet.

### Z) Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued

from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

#### (a) Ind AS 1 – Presentation of Financial Statements:

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

#### (b) Ind AS 12 – Income Taxes: -

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements

#### (c) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: -

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 3. Property, plant and equipment

Particulars	Leasehold improvements	Computers and other related assets	Furniture and fixtures	Office equipment	Plant and machinery	Vehicles	Total	Capital work-in-progress
<b>Gross carrying amount</b>								
Balance as at 1 April 2021	177.24	313.44	21.34	41.45	7.14	7.81	568.42	-
Additions	0.33	179.31	0.19	6.86	-	7.95	194.64	6.33
Disposals <sup>^</sup>	-	(6.48)	-	(0.43)	-	(0.32)	(7.23)	-
<b>Balance as at 31 March 2022</b>	<b>177.57</b>	<b>486.27</b>	<b>21.53</b>	<b>47.88</b>	<b>7.14</b>	<b>15.44</b>	<b>755.83</b>	<b>6.33</b>
Additions	35.17	176.57	0.45	12.96	1.69	9.31	236.15	10.57
Disposals <sup>^</sup>	(3.22)	(22.76)	(2.98)	(7.95)	(0.60)	(4.30)	(41.81)	(16.69)
<b>Balance as at 31 March 2023</b>	<b>209.52</b>	<b>640.08</b>	<b>19.00</b>	<b>52.89</b>	<b>8.23</b>	<b>20.45</b>	<b>950.17</b>	<b>0.21</b>
<sup>^</sup> Disposals with respect to capital work-in-progress represent transfer to leasehold improvements by way of capitalisation.								
<b>Accumulated depreciation</b>								
Balance as at 1 April 2021	85.16	163.12	8.16	24.77	1.66	1.24	284.11	-
Depreciation for the year	39.94	89.76	3.47	6.75	0.65	2.01	142.58	-
Disposals	-	(6.41)	-	(0.43)	-	(0.32)	(7.16)	-
<b>Balance as at 31 March 2022</b>	<b>125.10</b>	<b>246.47</b>	<b>11.63</b>	<b>31.09</b>	<b>2.31</b>	<b>2.93</b>	<b>419.53</b>	-
Depreciation for the year	43.01	115.31	2.86	7.24	0.69	2.55	171.66	-
Disposals	(2.42)	(22.73)	(1.62)	(6.18)	(0.20)	(0.68)	(33.83)	-
<b>Balance as at 31 March 2023</b>	<b>165.69</b>	<b>339.05</b>	<b>12.87</b>	<b>32.15</b>	<b>2.80</b>	<b>4.80</b>	<b>557.36</b>	-
<b>Balance as at 31 March 2023</b>	<b>43.83</b>	<b>301.03</b>	<b>6.13</b>	<b>20.74</b>	<b>5.43</b>	<b>15.65</b>	<b>392.81</b>	<b>0.21</b>
Balance as at 31 March 2022	52.47	239.80	9.90	16.79	4.83	12.51	336.30	6.33

## Ageing of Capital work in progress:

Particulars	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
<b>As at 31 March 2022</b>					
Projects in progress	6.33	-	-	-	6.33
Projects temporarily suspended	-	-	-	-	-
<b>Balance as at 31 March 2023</b>					
Projects in progress	0.21	-	-	-	0.21
Projects temporarily suspended	-	-	-	-	-

### Note:

- The Company has not carried out any revaluation of its Property, plant and equipment.
- The Company does not hold any immovable property in its own name.
- There are no capital work-in-progress where completion is overdue or has exceeded its cost compared to its original plan

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 4. Goodwill

Particulars	Amount
<b>Gross carrying amount</b>	
Balance as at 1 April 2021	6,762.76
Additions	-
Deletions	-
<b>Balance as at 31 March 2022</b>	<b>6,762.76</b>
Additions	-
Deletions	-
<b>Balance as at 31 March 2023</b>	<b>6,762.76</b>
<b>Accumulated amortisation</b>	
Balance as at 1 April 2021	1,600.20
Amortisation for the year	-
<b>Balance as at 31 March 2022</b>	<b>1,600.20</b>
Amortisation for the year	-
<b>Balance as at 31 March 2023</b>	<b>1,600.20</b>
<b>Carrying amounts (net)</b>	
<b>Balance as at 31 March 2023</b>	<b>5,162.56</b>
Balance as at 31 March 2022	5,162.56

### Note

- The Company has not carried out any revaluation of its Goodwill.
- Refer Note 43 for the impairment assessment carried out by the Management
- Refer Note 44 for details of NCLT order received by the Company in respect of amortisation of goodwill.

## 5. Other intangible assets

Particulars	Computer Software	Internally developed Softwares	Customer relationships	Total other intangible assets	Internally developed intangibles under development*	Intangible assets under development	Total
<b>Gross carrying amount</b>							
Balance as at 1 April 2021	214.91	125.01	218.98	558.90	16.68	8.43	25.11
Additions	65.95	82.25	-	148.20	367.52	49.95	417.47
Disposal <sup>^</sup>	-	-	-	-	(82.24)	(20.90)	(103.14)
<b>Balance as at 31 March 2022</b>	<b>280.86</b>	<b>207.26</b>	<b>218.98</b>	<b>707.10</b>	<b>301.96</b>	<b>37.48</b>	<b>339.44</b>
Additions	68.62	307.41	-	376.03	363.42	30.61	394.03
Disposal <sup>^</sup>	(3.21)	-	-	(3.21)	(307.41)	(28.56)	(335.97)
<b>Balance as at 31 March 2023</b>	<b>346.27</b>	<b>514.67</b>	<b>218.98</b>	<b>1,079.92</b>	<b>357.97</b>	<b>39.53</b>	<b>397.50</b>
<b>Accumulated amortisation</b>							
Balance as at 1 April 2021	66.97	3.13	60.77	130.87	-	-	-
Amortisation for the year	42.90	23.08	43.75	109.73	-	-	-
Disposal <sup>^</sup>	-	-	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>109.87</b>	<b>26.21</b>	<b>104.52</b>	<b>240.60</b>	<b>-</b>	<b>-</b>	<b>-</b>
Balance as at 1 April 2022	109.87	26.21	104.52	240.60	-	-	-
Amortisation for the year	80.52	24.44	43.83	148.79	-	-	-
Disposal <sup>^</sup>	(3.21)	-	-	(3.21)	-	-	-
<b>Balance as at 31 March 2023</b>	<b>187.18</b>	<b>50.65</b>	<b>148.35</b>	<b>386.18</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Intangible assets under development represents internally developed softwares for business purposes.

<sup>^</sup> Disposals with respect to internally developed intangible assets under development represent transfer to internally developed softwares by way of capitalisation.

### Carrying amounts (net)

<b>Balance as at 31 March 2023</b>	<b>159.09</b>	<b>464.02</b>	<b>70.63</b>	<b>693.74</b>	<b>357.97</b>	<b>39.53</b>	<b>397.50</b>
Balance as at 31 March 2022	170.99	181.05	114.46	466.50	301.96	37.48	339.44

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## Ageing of Intangibles under development is as under:

Particulars	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
<b>Balance as at 31 March 2023</b>					
- Projects in progress	296.75	100.75	-	-	397.50
- Projects temporarily suspended	-	-	-	-	-
<b>Balance as at 31 March 2022</b>					
- Projects in progress	316.37	23.07	-	-	339.44
- Projects temporarily suspended	-	-	-	-	-

## Projects whose completion is overdue/ exceeded the cost compared to its original plan :

Particulars	To be Completed in				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
<b>As at 31 March 2023</b>					
Project 1	3.60	-	-	-	3.60
Project 2	5.67	-	-	-	5.67
Project 3	14.71	-	-	-	14.71
Project 4	12.30	-	-	-	12.30
Project 5	8.39	-	-	-	8.39
Project 6	3.13	-	-	-	3.13
Project 7	29.62	-	-	-	29.62
Project 8	2.04	-	-	-	2.04
Project 9	1.20	-	-	-	1.20
Project 10	52.44	-	-	-	52.44
Project 11	4.05	-	-	-	4.05
<b>As at 31 March 2022</b>					
Nil	-	-	-	-	-

### Note:

- (a) The Company has not carried out any revaluation of its other intangible assets.  
 (b) There are no projects where completion is overdue or exceeded other than those disclosed above.

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 6. Right-of-use assets

### A Following are the changes in the carrying values of right of use assets:

Particulars	Category of ROU Assets	
	Premises	
<b>Balance as at 01 April 2021</b>	<b>507.52</b>	
Prepayments	0.35	
Additions	106.89	
Deletions	(10.75)	
<b>Balance as at 31 March 2022</b>	<b>604.01</b>	
<b>Balance as at 01 April 2022</b>	<b>604.01</b>	
Prepayments	4.30	
Additions	124.44	
Deletions	(155.05)	
<b>Balance as at 31 March 2023</b>	<b>577.70</b>	
<b>Accumulated depreciation</b>		
<b>Balance as at 01 April 2021</b>	175.79	
Depreciation for the year	109.33	
Deletions	(3.81)	
<b>Balance as at 31 March 2022</b>	<b>281.31</b>	
<b>Balance as at 01 April 2022</b>	<b>281.31</b>	
Depreciation for the year	114.03	
Deletions	(77.75)	
<b>Balance as at 31 March 2023</b>	<b>317.59</b>	
<b>Carrying amounts</b>		
<b>Balance as at 31 March 2023</b>	<b>260.11</b>	
Balance as at 31 March 2022	322.70	

The aggregate depreciation expense for the year on right-of-use assets is included under depreciation and amortisation expense in the standalone statement of profit and loss. (Refer Note 31)

### B The following is the rental expense recorded for short-term leases, variable lease payments and low value leases.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Short-term lease expense	32.71	28.94
Low value lease expense	-	-
Variable lease expense	-	-
<b>Total</b>	<b>32.71</b>	<b>28.94</b>

### C Following are the changes in the lease liabilities:

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Opening Balance</b>	356.88	358.52
Additions	128.74	106.89
Finance cost accrued during the year	26.88	30.51
Deletions	(90.18)	(7.27)
Payment of lease liabilities	(133.52)	(131.41)
Rent concession	-	(0.36)
<b>Closing balance</b>	<b>288.80</b>	<b>356.88</b>
Current lease liabilities	40.75	114.94
Non-current lease liabilities	248.05	241.94

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## D The following are the amounts recognised in standalone statement of profit and loss:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on Right-of-use assets	114.03	109.33
Interest expenses	26.88	30.51
	<b>140.91</b>	<b>139.84</b>

## E The following is the cash outflow on leases:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Payment of lease liabilities	106.64	100.90
Interest on lease liabilities	26.88	30.51
<b>Total cash outflow on leases</b>	<b>133.52</b>	<b>131.41</b>

## F The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 March 2023	As at 31 March 2022
Less than 1 year	77.93	139.20
1 to 5 years	234.12	211.06
Over 5 years	59.53	84.78

## 7. Investments

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(a) Investments in subsidiaries</b>		
Investment in equity instruments - unquoted- at cost less provision for other than temporary impairment		
800 (31 March 2022: 800) equity shares of KFin Technologies (Bahrain) W.L.L, of BHD 50 each, fully paid-up	135.46	135.46
100,000 (31 March 2022: 100,000) equity shares of KFin Technologies (Malaysia) SDN.BHD of MYR 1 each fully paid-up	16.74	16.74
5,510,000 (31 March 2022: 5,510,000) equity shares of KFin Services Private Limited of ₹ 10 each fully paid-up	55.10	55.10
149,900,000 (31 March 2022: 79,900,000) equity shares of Hexagram Fintech Private Limited of ₹ 1 each fully paid-up	401.86	331.86
5,00,000 (31 March 2022: Nil) equity shares of KFin Global Technologies (IFSC) Limited of ₹ 10 each fully paid-up	5.00	-
	<b>614.16</b>	<b>539.16</b>
Aggregate amount of un-quoted investments	614.16	539.16
Aggregate amount of impairment in value of investments	-	-
<b>(b) Investment in Associate Companies</b>		
Unsecured, considered good	65.00	-
10,41,525 (31 March 2022: Nil) equity shares of Fintech Products and Solutions India Private Limited (FPSIPL) of ₹ 10 each, fully paid-up	<b>65.00</b>	-
<b>Total</b>	<b>679.16</b>	<b>539.16</b>

The Company's exposure to credit risks are disclosed in Note 41

On 22 March 2023, the Parent Company acquired 25.63% stake in Fintech Products and Solutions India Private Limited (FPSIPL), a Technology Service Provider (TSP) having a wholly owned subsidiary, FinSec AA Solutions Private Limited, India's first Account Aggregator ('AA'), licensed by Reserve Bank of India (RBI) by investing ₹ 65.00 million. This Investment will help the Parent Company to venture into TSP and AA business as it looks to diversify beyond its current offerings across asset classes in the financial services ecosystem. OneMoney, the brand of FPSIPL's wholly owned subsidiary, is India's first Account Aggregator (AA), with a Non-Banking Financial Corporation ('NBFC') AA license from the RBI. The Parent Company can acquire additional equity share capital of FPSIPL, taking its aggregate shareholding in FPSIPL to 75.01%, subject to the satisfaction of customary closing conditions and receipt of regulatory approvals. This investment has been accounted for under equity method in the consolidated financial results.

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 8. Other non-current financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Rental deposits	45.83	52.89
Electricity deposits	3.89	5.19
Telephone deposits	0.07	0.07
Bank deposits (due to mature after 12 months from balance sheet date)*	1.19	3.29
	<b>50.98</b>	<b>61.44</b>

\*represents fixed deposits amounting to ₹ 0.77 Million (31 March 2022: ₹ 3.28 Million) which is not freely remissible because of contractual restrictions.

The Company's exposure to credit risks are disclosed in Note 41.

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. Non-current tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance income-tax including tax deducted at source*	305.21	363.09
	<b>305.21</b>	<b>363.09</b>

\*Net of provision for tax 31 March 2023: ₹ 443.60 Million (31 March 2022: ₹ 464.30 Million)

## 10. Other Non-current Assets

(Unsecured considered good)

Particulars	As at 31 March 2023	As at 31 March 2022
Capital advances	3.16	0.46
Prepayments	4.08	11.59
	<b>7.24</b>	<b>12.05</b>

## 11. Current Investments

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Investments in mutual funds - quoted - at FVTPL</b>		
68,849 (31 March 2022: 65,538) units of DSP Blackrock Liquidity Fund - Regular Plan -Daily Dividend	68.91	65.60
356,087 (31 March 2022: 136,979) units of HSBC (L&T Liquid Fund) - Regular Liquid Daily Dividend Reinvestment Plan	356.42	138.94
384,304 (31 March 2022: 152,643) units of TATA Liquid Fund Regular Plan - Daily Dividend	384.89	152.88
317,270 (31 March 2022: 115,048) units of Kotak Liquid Regular Plan Daily Dividend	387.96	140.68
350,128 (31 March 2022: 122,848) units of HDFC Liquid Fund-Regular Plan Daily Dividend Reinvestment	357.07	125.28
2,754,858 (31 March 2022: 1,472,968) units of ICICI Prudential Liquid Fund - Daily Dividend	275.78	147.46
342,705 (31 March 2022:148,753) units of SBI Liquid Fund - Regular Daily Dividend	389.63	159.99
	<b>2,220.66</b>	<b>930.83</b>
	<b>2,220.66</b>	<b>930.83</b>
Aggregate amount of quoted investments and market value thereof	2,220.66	930.83
Aggregate amount of impairment in value of investments	-	-

**Note:** The Company holds certain shares of its customers as a trustee. The Company is in process of transferring those shares to the relevant account based on instructions to be received from respective customers.

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 12. Trade Receivables

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Trade receivables considered good - secured	-	-
(b) Trade receivables considered good - unsecured*	1,335.60	1,272.04
(c) Trade receivables which have significant increase in credit risk	-	-
(d) Trade receivables - credit impaired	-	-
<b>Total</b>	<b>1,335.60</b>	<b>1,272.04</b>
Allowance for credit loss	(159.17)	(201.40)
<b>Total trade receivables</b>	<b>1,176.43</b>	<b>1,070.64</b>
<b>Movements in the provision for trade receivables are as follows:</b>		
Opening balance	201.40	144.32
Add: Provision for loss allowance	(35.73)	57.08
Less: Provision utilised during the period	(6.50)	-
<b>Closing balance</b>	<b>159.17</b>	<b>201.40</b>

Trade receivables are unsecured and are derived from revenue from operations i.e. fee revenue and recoverable expenses revenue. No interest is charged on the outstanding balance, regardless of the age of the balance. The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection. The Management of the Company has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. Management makes specific provision in cases where there are known specific risks of customer default in making the repayments. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix.

### Ageing of gross trade receivables as at 31 March 2023 is as under:

Particulars	Outstanding for following period from the due date of receipt							Total
	Unbilled	Not due	Less than 6 Months	6 months - 1 year	1 to 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	82.42	792.20	255.52	45.11	43.01	58.36	58.98	1,335.60
(ii) Undisputed Trade receivables –which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables–which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## Ageing of gross trade receivables as at 31 March 2022 is as under:

Particulars	Outstanding for following period from the due date of receipt							Total
	Unbilled	Not due	Less than 6 Months	6 months - 1 year	1 to 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	78.92	782.45	174.42	86.78	25.93	21.77	101.77	1,272.04
(ii) Undisputed Trade receivables –which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables–which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-

There are no trade receivables 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.

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 41

\*Includes receivable from related parties. Refer Note 40

## 13. Cash and Cash Equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Balance with banks:		
(i) in current accounts*	570.00	309.22
	<b>570.00</b>	<b>309.22</b>

\* Includes stamp duty amount received from customers amounting to ₹ 55.09 Million 31 March 2023 (31 March 2022: ₹ 74.20 Million) for the purpose of onward remittance of the same to the Registration & Stamps Department. (Refer Note 23).

The Company's exposure to credit risks are disclosed in Note 41

## 14. Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Bank balance in deposit accounts (having original maturity of more than 3 months but less than 12 months from reporting date)*	150.10	1.23
	<b>150.10</b>	<b>1.23</b>

\* Includes fixed deposits amounting to ₹ 71.36 Million 31 March 2023; (31 March 2022: ₹ 1.23 Million) which is not freely remissible because of contractual restrictions.

The Company's exposure to credit risks are disclosed in Note 41

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 15. Loans

Particulars	As at 31 March 2023	As at 31 March 2022
Loans to employees	-	1.41
	-	<b>1.41</b>
<b>Break up of security details</b>		
(a) Loans considered good - Secured	-	-
(b) Loans considered good - Unsecured	-	1.41
(c) Loans which have significant increase in Credit Risk	-	-
(d) Loans - credit impaired	-	-
<b>Total current loans</b>	-	<b>1.41</b>

The Company's exposure to credit risk are disclosed in Note 41.

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.

## 16. Other Current Financial Assets

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Unsecured, considered good</b>		
Stamp duty receivables (Refer Note 13)	131.72	94.61
Rental deposits	3.08	4.21
Insurance claims receivables	14.12	-
Other receivables	3.75	1.52
IPO related expenses (Refer Note 47)	11.99	84.45
Others	32.19	2.29
	<b>196.85</b>	<b>187.08</b>
<b>Unsecured, considered doubtful</b>		
Other receivables	9.07	5.61
	<b>9.07</b>	<b>5.61</b>
Less: Allowance for credit loss		
Other receivables	(9.07)	(5.61)
	<b>(9.07)</b>	<b>(5.61)</b>
	<b>196.85</b>	<b>187.08</b>
<b>Movements in allowance for credit loss of other financial assets are as follows:</b>		
Opening balance	5.61	5.61
Allowance for credit loss created during the year	3.46	-
Closing balance	<b>9.07</b>	<b>5.61</b>

The Company's exposure to credit risks are disclosed in Note 41.

## 17. Other current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Advances to vendors for supply of goods/ services	24.88	23.91
Prepayments	141.37	60.52
Advances to employees	3.29	0.42
Others	4.92	-
	<b>174.46</b>	<b>84.85</b>

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 18. Share capital

Particulars	As at	
	31 March 2023	31 March 2022
<b>Authorised</b>		
a) 175,980,000 (31 March 2022: 175,980,000) equity shares of ₹10 each	1,759.80	1,759.80
b) 1,000 (31 March 2022: 1,000) non-convertible redeemable preference shares (RPS) of ₹ 200 each	0.20	0.20
	<b>1,760.00</b>	<b>1,760.00</b>
<b>Issued, subscribed and paid-up</b>		
(a) 169,228,699 (31 March 2022: 167,568,883) equity shares of ₹ 10 each, fully paid-up	1,692.29	1,675.69
(b) 1,000 (31 March 2022: 1,000) RPS of ₹ 200 each (Refer Note 20(ii))	-	-
<b>Total</b>	<b>1,692.29</b>	<b>1,675.69</b>

### a. Terms and rights attached to equity shares

The Company has a single class of equity shares having a par value of ₹ 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. Each holder of equity shares is entitled to one vote per share.

Under the shareholders agreement dated 3 August 2017 executed between the Company and its shareholders, and as amended subsequently ("SHA 2017"), one of the shareholders of the Company had been granted a right to subscribe to additional equity shares of the Company upon fulfillment of various performance related and other milestones as defined in the SHA 2017. During the year ended 31 March 2022, the Company and its shareholders have entered into an agreement to terminate the SHA 2017 ("Termination Agreement") wherein each of the Parties has agreed that, notwithstanding anything contained in the Existing SHA, on and from the Effective Date (as defined in Termination Agreement), the SHA 2017 (including any rights, duties and obligations of the Parties under or incidental to the SHA 2017) shall stand unconditionally and irrevocably terminated and shall cease to have any force or effect without any further action being required from any Party. Also Refer Note 20

### Employee stock options:

The Company has granted certain stock options to its employees and the employees of its subsidiary. For details of shares reserved for issue under the Employee Stock Options Plan of the Company, Refer Note 45.

### b. Reconciliation of number of equity shares of ₹ 10 each, fully paid up outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2023		As at 31 March 2022	
	No.Of Shares	Amount	No.Of Shares	Amount
<b>Opening balance</b>	167,568,883	1,675.69	150,843,583	1,508.44
Shares issued during the year	-	-	16,725,100	167.25
Shares issued during the year under Employee Stock Option Plan ('ESOP') (Refer Note 45)	1,659,816	16.60	200	0.00
Shares cancelled during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>169,228,699</b>	<b>1,692.29</b>	<b>167,568,883</b>	<b>1,675.69</b>

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

**c. Details of shares held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate:**

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Percentage	No. of shares	Percentage
<b>Equity shares of ₹ 10 each fully paid up, held by:</b>				
General Atlantic Singapore Fund Pte Ltd (Holding Company upto 28 December 2022)	-	-	125,580,400	74.94%
General Atlantic Singapore KFT Pte Ltd (Subsidiary of Holding Company upto 28 December 2022)	-	-	1,608,503	0.96%
<b>Total</b>	<b>-</b>	<b>-</b>	<b>127,188,903</b>	<b>75.90%</b>

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Percentage of total shares	No. of shares	Percentage of total shares
<b>Equity shares of ₹ 10 each fully paid up, held by:</b>				
General Atlantic Singapore Fund Pte Ltd	82,026,100	48.47%	125,580,400	74.94%
Compar Estates and Agencies Private Limited	18,414,296	10.88%	18,414,296	10.99%
Kotak Mahindra Bank Limited	16,725,100	9.88%	16,725,100	9.98%
<b>Total</b>	<b>117,165,496</b>	<b>69.24%</b>	<b>160,719,796</b>	<b>95.91%</b>

**e. Shares held by promoters at the end of the year:**

Promoter name	As at 31 March 2023			As at 31 March 2022		
	No. of shares	Percentage of total shares	Percentage of change during the year	No. of shares	Percentage of total shares	Percentage of change during the year
<b>Equity shares of ₹ 10 each fully paid up, held by:</b>						
General Atlantic Singapore Fund Pte Ltd and its subsidiary	83,634,603	49.42%	-34.89%	127,188,903	75.90%	-8.83%
<b>Total</b>	<b>83,634,603</b>	<b>49.42%</b>		<b>127,188,903</b>	<b>75.90%</b>	

- f.** During the period of five years immediately preceding the respective balance sheet date, no shares were allotted as fully paid up pursuant to a contract without payment being received in cash other than 110,000,015 equity shares of ₹ 10 each.
- g.** The Company has not allotted any shares as fully paid by way of bonus shares during the five year period immediately preceding the respective balance sheet date.
- h.** During the period of previous five years immediately preceding the respective balance sheet date, the Company has bought back 14,987,846 equity shares under Buy-back Plan 2019.
- i.** Enforcement Directorate (ED) vide its order dated 24 September 2021, has instructed the Company not to facilitate the alienation/ sale/ creation of any lien or liability in respect of shares held by certain shareholders. On 11 March 2022, the Company has received Provisional Attachment Order No. 06/2022 dated 8 March 2022 issued by the Deputy Director, Directorate of Enforcement, Hyderabad Zonal Office, whereby the ED has provisionally attached the equity shares held by those shareholders. Additionally, to the Company's knowledge, these shares are subjected to an encumbrance in favour of certain lenders of those shareholders.

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

The Company has received a letter dated 09 December 2022, from the Office of Additional Director, Directorate of Enforcement, Hyderabad Zonal Office on 13 December 2022 ("Authority", and such letter "ED Letter"). Pursuant to the ED Letter, the Authority has communicated that the attachment made pursuant to the provisional attachment order dated March 08, 2022, issued by the Attachment Order has been confirmed by the Adjudicating Authority (PMLA), New Delhi vide its order dated 1 December 2022.

## 19 Other equity

Particulars	Note	As at 31 March 2023	As at 31 March 2022
<b>Capital reserve</b>	<b>a</b>		
Balance at the beginning of the year		0.10	0.10
Addition during the year		-	-
<b>Balance at the end of the year</b>		<b>0.10</b>	<b>0.10</b>
<b>Share application Money pending allotment</b>			
Balance at the beginning of the year		-	-
Addition during the period		6.80	-
<b>Balance at the end of the period</b>		<b>6.80</b>	<b>-</b>
<b>Securities premium</b>	<b>b</b>		
Balance at the beginning of the year		5,005.94	2,282.43
Add: Premium received upon issue of equity share capital		-	2,932.77
Add: Premium received on exercise of employee stock options		189.06	-
Less: Expenses incurred on issue of shares		-	(209.27)
Add: Transfer from share based payment reserves on exercise of stock options		69.73	0.01
<b>Balance at the end of the year</b>		<b>5,264.73</b>	<b>5,005.94</b>
<b>Debenture redemption reserve (DRR)</b>	<b>c</b>		
Balance at the beginning of the year		-	75.00
Add: Transfer to General reserve (Refer Note (g))		-	(75.00)
Balance at the end of the year		-	-
<b>Retained earnings</b>	<b>d</b>		
Balance at the beginning of the year		(569.65)	(609.17)
Add: Profit for the year		1,962.53	1,530.14
Less: Premium payable on RPS recognised as financial liability (Refer Note 20)		-	(1,482.94)
Add/ (less): Remeasurement of defined benefit obligation for the year		(4.78)	(7.68)
<b>Balance at the end of the year</b>		<b>1,388.10</b>	<b>(569.65)</b>
<b>Share based payment reserve</b>	<b>e</b>		
Balance at the beginning of the year		120.50	28.97
Add: Charge for the year, gross		85.42	91.45
Add: Charge for the options issued to the employees of subsidiaries		3.53	0.09
Less: Transferred to securities premium on exercise of stock options		(69.73)	(0.01)
<b>Balance at the end of the year</b>		<b>139.72</b>	<b>120.50</b>
<b>Capital redemption reserve</b>	<b>f</b>		
Balance at the beginning of the year		149.88	149.88
Add: Transferred during the year (Refer Note 18)		-	-
<b>Balance at the end of the year</b>		<b>149.88</b>	<b>149.88</b>
<b>General reserve</b>	<b>g</b>		
Balance at the beginning of the year		75.00	-
Add: Transferred during the year from DRR (Refer Note (c) and (g))		-	75.00
<b>Balance at the end of the year</b>		<b>75.00</b>	<b>75.00</b>
<b>Total other equity</b>	<b>(a+b+c+d+e+f+g)</b>	<b>7,024.33</b>	<b>4,781.77</b>

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## Nature and purpose of other reserves

### (a) Capital reserve

Reserve created was on cancellation of equity shares pursuant to Scheme of amalgamation approved by National Company Law Tribunal during year ended 31 March 2019.

### (b) Securities premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The fair value of employee stock options is recognised in securities premium once the shares have been allotted on exercise of the options. It can be utilised in accordance with the provisions of the Companies Act, 2013.

### (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. The Central Government on 16 August 2019 has amended the Companies (Share Capital and Debentures) Rules 2014 to exclude listed companies having privately placed debentures from the requirement of maintaining DRR. Accordingly, the Company has not transferred any amount to DRR from the year ended 31 March 2020.

on 29 December 2021, the Company repaid the debentures and thereby the reserve was no longer required and transferred to general reserve.

### (d) Retained earnings

Retained earnings represents the net profits after all distributions and transfers to other reserves. It can be utilised or distributed in accordance with the provisions of the Companies Act, 2013.

### (e) Share-based payment reserve

The Company has established various equity-settled share based payments plans for certain categories of employees of the Company and its subsidiaries. Refer Note 45 for further details on these plans.

### (f) Capital redemption reserve

Represents reserve created for cancellation of 14,987,847 equity shares bought back under buy back plan in financial year 2019-2020.(Refer Note 18).

### (g) General reserve

The general reserve is used time to time to transfer profits/ reserve from retained earning/ other component of equity (such as DRR) for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to Standalone statement of profit and loss. (Refer Note 19(c) above)

## 20. Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(a) Current</b>		
Redeemable preference share ('RPS') (unsecured) (Refer Note i(a) and i(b) below)	0.20	-
Premium payable on redemption of RPS (Refer Note i(a) and i(b) below)	1,300.49	-
	<b>1,300.69</b>	-
<b>(b) Non- current</b>		
<b>Borrowings</b>		
Redeemable preference share ('RPS') (unsecured) (Refer Note i(a) and i(b) below)	-	0.20
Premium payable on redemption of RPS (Refer Note i(a) and i(b) below)	-	1,224.94
	<b>-</b>	<b>1,225.14</b>

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## (i) Redeemable preference share (unsecured)

### (a) Terms and rights attached to RPS:-

On 25 October 2021, the Company issued 1,000 non-convertible redeemable preference shares having face value of ₹ 200 each share ("RPS") at par on a private placement basis for a maximum period of 20 years from the date of issue. These RPS shall not carry any voting rights. The RPS shall be subordinated to the existing indebtedness of the Company and any future senior debt that the Company may take.

The RPS shall be redeemed by the Company in accordance with the provisions of the Companies Act, 2013 and the Share Subscription Agreement ("SSA") dated 28 May 2021 on or after 25 October 2023 ("the Target Redemption Date") and a redemption premium of ₹ 1,340.00 million shall be payable by the Company subject to satisfaction of the conditions prescribed under the SSA. These RPS carry preferential non-cumulative dividend rate of 0.0001% per annum ("Preferential Dividend"), which shall be applicable until 25 October 2023. The dividend shall be due only when declared by the Board. In the event that the RPS are not redeemed on the Target Redemption Date or within 60 (sixty) days therefrom, in accordance with the SSA, then the dividend rate applicable on the RPS for the period after the Target Redemption Date, shall stand revised to a preferential cumulative dividend rate of 7% per annum, which shall further increase by 200 bps per annum at every anniversary of the Target Redemption Date, subject to a maximum of 13% per annum. The payment of such dividend shall be subject to deduction and withholding of taxes by the Company as per applicable law. The RPS shall be non-participating in the surplus funds and surplus assets. The RPS are transferable subject to the conditions mentioned under SSA.

(b) Pursuant to a subscription agreement dated 28 May 2021 between the Company and certain individuals, who were minority shareholders of the Company at such time, with regard to termination of rights of such shareholders and Permitted Assignees (other than such shareholders), in terms of the said agreement, who were also shareholders of the Company, under the then existing Shareholders Agreement dated 3 August 2017 (as amended pursuant to a supplemental agreement dated 3 April 2020), the Company was obligated for an amount of ₹ 1,640.00 million. The net amount payable after recovering, in terms of the said agreement, an indemnity of ₹ 300.00 Million is ₹ 1,340.00 Million payable after a period of two years i.e. on or after 25 October 2023. The Company has issued RPS carrying maturity amount of ₹ 1,340.00 million (₹ 1,640.00 Million offset by ₹ 300.00 Million) through agreement dated 28 May 2021. Accordingly, an amount of ₹ 1,482.94 Million (amortised cost of ₹ 1,640.00 million) has been debited to other equity representing the obligations to the shareholders with a corresponding credit of ₹ 1,182.91 Million and ₹ 300.00 Million to non-current borrowings (representing amount payable to the said shareholders under RPS net of indemnity of ₹ 300.00 million) and current financial liability (representing amount payable to the past Client (Refer Note 36), respectively. The current financial liability has been settled by transfer of investments as mentioned in Refer Note 36. The balance of ₹ 157.09 Million (₹ 1,340.00 Million less ₹ 1,182.91 Million) will be charged to Standalone statement of Profit and Loss over the period of borrowing as interest cost under effective interest rate method as prescribed under Ind AS 109 – Financial Instruments. As at 31 March 2023, out of ₹ 157.09 Million, ₹ 117.58 Million is expensed in the Standalone statement of Profit and Loss as interest cost.

## 21. Non-current provisions

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Provision for employee benefits</b>	-	64.97
- Gratuity	-	15.65
- Compensated absences	-	<b>80.62</b>

Refer Note 39 for disclosure related to employee benefits.

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 22. Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Total dues of micro enterprisess and small enterprisess*	0.13	0.89
Total dues of creditors other than micro enterprisess and small enterprisess	246.79	238.47
	<b>246.92</b>	<b>239.36</b>

Ageing of trade payables as at 31 March 2023 is as under:

Particulars	Unbilled	Outstanding for following period from the due date of payment				Total
		Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro and small Enterprisess	-	0.13	-	-	-	0.13
Others than micro and small enterprisess	196.28	47.11	3.19	-	0.21	246.79
Disputed dues - micro and small enterprisess	-	-	-	-	-	-
Disputed dues - others than micro and small enterprisess	-	-	-	-	-	-

Ageing of trade payables as at 31 March 2022 is as under:

Particulars	Unbilled	Outstanding for following period from the due date of payment				Total
		Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro and small Enterprisess	-	0.89	-	-	-	0.89
Others than micro and small enterprisess	128.63	88.66	20.98	0.03	0.17	238.47
Disputed dues - micro and small enterprisess	-	-	-	-	-	-
Disputed dues - others than micro and small enterprisess	-	-	-	-	-	-

\* Refer Note 37 for disclosure relating to Micro, Small and Medium Enterprisess

## 23. Other current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposits payable	3.56	3.18
Employee payables	95.29	71.20
Capital creditors		
Total dues of micro Enterprisess and small Enterprisess*	8.84	0.18
Total dues of creditors other than micro Enterprisess and small Enterprisess	6.31	9.71
Stamp duty payable	155.41	147.78
Other liabilities^	82.20	73.94
	<b>351.61</b>	<b>305.99</b>

Ageing of capital creditors as at 31 March 2023 is as under:

Particulars	Unbilled	Outstanding for following period from the due date of payment				Total
		Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro and small Enterprisess	-	8.84	-	-	-	8.84
Others than micro and small enterprisess	-	6.31	-	-	-	6.31
Disputed dues - micro and small enterprisess	-	-	-	-	-	-
Disputed dues - others than micro and small enterprisess	-	-	-	-	-	-

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## Ageing of capital creditors as at 31 March 2022 is as under:

Particulars	Unbilled	Outstanding for following period from the due date of payment				Total
		Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro and small Enterprises	-	0.18	-	-	-	0.18
Others than micro and small enterprises	-	9.71	-	-	-	9.71
Disputed dues - micro and small enterprises	-	-	-	-	-	-
Disputed dues - others than micro and small enterprises	-	-	-	-	-	-

\* Refer Note 37 for disclosure relating to Micro, Small and Medium Enterprises

^ Balance as at 31 March 2023, includes an amount of ₹ 72.56 Million towards claim from a past client. Refer Note 36 for further details.

The Company's exposure to liquidity risks related to above financial liabilities is disclosed in Note 41.

## 24. Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Contract liabilities		
- Unearned income*	7.27	7.50
- Advance from customers	15.25	41.17
Statutory dues payable	98.30	108.01
	<b>120.82</b>	<b>156.68</b>

\*Refer Note 46

## 25. Current provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits:		
- Gratuity	-	1.81
- Compensated absences	51.85	29.99
	<b>51.85</b>	<b>31.80</b>

Refer Note 39 for disclosure related to provisions for employee benefits.

## 26. Current tax liability (net)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provision for taxation (Net of advance tax ₹ 2007.46 Million (31 March 2022: ₹ 1,393.59 Million))	148.60	122.34
	<b>148.60</b>	<b>122.34</b>

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 27. Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of services	6,698.42	6,017.25
<b>Total (A)</b>	<b>6,698.42</b>	<b>6,017.25</b>
<b>Other operating revenues</b>		
Recoverable expenses	266.08	229.84
<b>Total (B)</b>	<b>266.08</b>	<b>229.84</b>
<b>Total (A+B)*</b>	<b>6,964.50</b>	<b>6,247.09</b>

\*Refer Note 46

## 28. Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income from:		
- Bank deposits (calculated using effective interest method on financial assets at amortised cost)	3.16	0.26
- Unwinding of discount on deposits	3.51	2.79
- Income-tax refund	58.81	-
Dividend income from:		
- Investment in subsidiary	-	30.34
- Investments in mutual funds	88.29	45.07
Profit on sale of property, plant and equipment (net)	-	1.41
Liabilities no longer required written back	0.01	5.64
Income on fair valuation of financial assets measured at FVTPL, net	-	-
Foreign exchange gain (net)	1.85	-
Income on derecognition of ROU assets and lease liability	12.88	0.69
Rent concession	-	0.36
Miscellaneous income	1.89	2.61
	<b>170.40</b>	<b>89.17</b>

## 29. Employee benefits expense\*

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	2,399.89	1,941.31
Contribution to provident and other funds (Refer Note 39)	183.04	168.67
Share based payment expenses (Refer Note 45)	79.93	91.45
Staff welfare expenses	60.23	48.03
	<b>2,723.09</b>	<b>2,249.46</b>

\*The Company has capitalised employee benefits expense of ₹ 259.24 Million (31 March 2022: ₹ 252.01 Million) to the other intangible assets/ intangible assets under development.

## 30. Finance costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest cost on financial liabilities measured at amortised cost		
- on NCD's	-	371.06
- on redeemable preference shares ('RPS') (Refer Note 20(i)(b))	75.55	42.03
Unwinding of interest on lease liabilities (Refer Note 6)	26.88	30.51
Other interest costs	3.69	84.71
	<b>106.12</b>	<b>528.31</b>

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 31. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment	171.66	142.58
Depreciation on right of use asset (Refer Note 6)	114.03	109.33
Amortisation on internally generated intangible assets	24.44	86.65
Amortisation of other intangible assets	124.35	23.08
	<b>434.48</b>	<b>361.64</b>

## 32. Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Power and fuel	38.84	36.32
Rent	32.71	28.94
Repairs and maintenance - Others	10.88	7.76
Rates and taxes	6.41	3.00
Legal and professional fee*	478.28	330.78
Consultancy charges	244.80	176.62
Office maintenance	37.17	31.62
Security services	18.78	13.25
Computer and software maintenance	32.79	40.72
Corporate social responsibility**	20.26	6.92
Allowance for credit loss on trade receivables and other financial assets	(32.27)	57.08
Credit impaired trade receivables written-off	15.65	23.79
Deposits written-off	1.17	2.05
Printing and stationery	272.73	229.48
Travelling and conveyance	46.60	29.42
Shared services cost	-	0.02
Insurance	9.19	6.09
Staff recruitment	8.83	9.50
Sales promotion and advertisement	13.95	4.39
Depository charges	0.34	0.53
Claims^	13.27	85.16
Water charges	2.09	1.37
Fair value loss on financial assets measured at FVTPL	-	(7.21)
Bank charges	0.65	0.68
Foreign exchange loss (net)	-	0.69
Loss on disposal of property, plant and equipment	1.04	-
Miscellaneous expenses	2.95	1.58
	<b>1,277.11</b>	<b>1,120.55</b>

^ The Company has capitalised consultancy and other charges of ₹ 30.59 (31 March 22: Nil millions) to the Other intangible assets/intangible under development.

\* Payment to auditors (included in legal and professional expenses above)

	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor		
Statutory audit	3.40	3.00
Limited review	0.60	0.60
Certification	0.50	0.20
Others ^^	28.70	15.00
Out of pocket expenses	1.93	-
	<b>35.13</b>	<b>18.80</b>

^^ Others represent audit fee towards IPO related expenses (Refer Note 47)

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## \*\*Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The proposed areas for CSR activities, as per the CSR policy of the Company are promotion of education of underprivileged children which are specified in Schedule VII of the Companies Act, 2013.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
a) Gross amount required to be spent by the Company during the year	20.15	6.92
b) Amount approved by the Board to be spent during the year	20.15	6.92
c) Amount spent during the year:		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	20.26	6.92
d) (Shortfall) / Excess at the end of the year	Nil	Nil
e) Total of previous years shortfall	Nil	Nil
f) Reason for shortfall	No shortfall	No shortfall
g) Related party transactions.	Nil	Nil

## 33. Earning per share (EPS)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit/ (loss) attributable to equity shareholders (A)	1,962.53	1,530.14
<b>Shares</b>		
Number of shares at the beginning of the year	167,568,883	150,843,583
Add: Equity shares issued during the year	1,659,816	16,725,300
<b>Number of shares at the end of the year</b>	<b>169,228,699</b>	<b>167,568,883</b>
Weighted average number of equity shares for Basic EPS (B)	167,809,897	157,350,374
Effect of potential equity shares on employee stock options outstanding	2,103,791	1,357,625
Weighted average number of equity shares for diluted EPS (C)	169,913,689	158,707,999
Basic EPS - par value of ₹ 10 per share (A/B) (in ₹)	11.69	9.72
Diluted EPS - par value of ₹ 10 per share (A/C) (in ₹)	11.55	9.64

## 34. Income tax

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A. Amounts recognised in the Standalone statement of profit and loss</b>		
<b>Current tax expense</b>		
Current tax	640.13	574.60
Tax of earlier years	(3.72)	-
	<b>636.41</b>	<b>574.60</b>
<b>Deferred tax credit</b>		
Change in recognised temporary differences	(4.84)	(28.44)
	<b>(4.84)</b>	<b>(28.44)</b>
<b>Total tax expense</b>	<b>631.57</b>	<b>546.16</b>
<b>B. Amounts recognised in Other comprehensive income (OCI)</b>		
Tax income	1.61	2.58
<b>C. Reconciliation of effective tax rate</b>		
<b>Profit before tax</b>	2,594.10	2,076.30
Enacted tax rate in India	25.17%	25.17%
Tax using the Company's domestic tax rate	652.88	522.56
<b>Tax effect of:</b>		
Impact of differential tax rate	-	(2.90)
Permanent differences	(7.76)	26.72
Tax of earlier years	(3.72)	-
Others	(9.83)	0.22
	<b>631.57</b>	<b>546.60</b>

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## D. Movement in deferred tax balances

Particulars	As at 1 April 2022	Recognised in Statement of profit and loss	Recognised in OCI	As at 31 March 2023
Property, plant and equipment, goodwill and other intangible assets	(1,287.86)	(6.09)	-	(1,293.95)
Provision for expected credit loss on trade receivables and other financial assets	52.10	(9.75)	-	42.35
Provision for employee benefits	40.45	(10.78)	1.61	31.28
Others	(23.25)	31.46	-	8.21
<b>Deferred tax liabilities, net</b>	<b>(1,218.56)</b>	<b>4.84</b>	<b>1.61</b>	<b>(1,212.11)</b>

Particulars	As at 1 April 2021	Recognised in Statement of profit and loss	Recognised in OCI	As at 31 March 2022
Property, plant and equipment, goodwill and other intangible assets	(1,289.06)	1.20	-	(1,287.86)
Provision for expected credit loss on trade receivables and other financial assets	37.74	14.36	-	52.10
Provision for employee benefits	30.48	7.39	2.58	40.45
Others	(28.74)	5.49	-	(23.25)
<b>Deferred tax liabilities, net</b>	<b>(1,249.58)</b>	<b>28.44</b>	<b>2.58</b>	<b>(1,218.56)</b>

## 35. Commitments, contingent liabilities and contingent assets

Particulars	As at 31 March 2023	As at 31 March 2022
<b>A. Commitments</b>		
(i) Capital commitments	122.28	68.68
<b>B. Contingent liabilities</b>		
(a) Customer claims not acknowledged as debts	60.79	98.05
(b) Income-tax matters*	17.54	241.93
(c) Goods and service tax matters	17.31	12.64

\*Amount as at 31 March 2022, primarily includes show cause notice received from the income tax authorities relating to tax treatment of amortisation of goodwill claimed in AY 2020-21 aggregating to ₹ 1,480.15 Million (Tax impact ₹ 232.08 Million). During the year ended 31 March 2023, vide assessment order dated 26 September 2022, the Company has received a favourable order and accordingly the matter is concluded.

Further, the Company periodically receives notices and inquiries from income tax authorities related to Company's operations and returns filed.

- C. The Company is a party to certain pending cases with regulatory authorities relating to the initial public offerings of its customers 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 Standalone financial statements of the Company.
- D. The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 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. The Company has started complying with this prospectively from the month of March 2019. In respect of the past period there are significant implementation and interpretative challenges that the management is facing and is awaiting for clarity to emerge in this regard, pending which, this matter has been disclosed under the contingent liability section in the Standalone Financial Statements. The impact of the same is not ascertainable.

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

- E.** In September 2018, the Company received show-cause notice from Pension Fund Regulatory and Development Authority ('PFRDA') letter alleging the Company for undertaking a regulated activity of Point of Presence (POP) – Service establishment and serviced UTI POP without any approval from PFRDA to act in that capacity. The Company submitted its responses to PFRDA and all hearings have been attended. The inquiry proceedings were disposed off without requiring any further action as no contravention alleged in the show cause notice were found established. The matter is concluded without levy of any penalty.
- F.** The Company received a letter dated 24 August 2021 from PFRDA seeking compensation amounting to ₹ 26.30 Million towards breach of SLA for the delay in dispatch of PRAN kits and Annual Statement of Transactions (SOT) to the subscribers during Covid 19 lockdown. The Company submitted its response stating the factual position and reasons for the delay and that no loss has been suffered by any subscriber, therefore, there should not be any compensation claim. PFRDA vide its letter dated 23 August 2022 and 7 October 2022 has granted waiver of compensation for breach of SLA and accordingly, the matter has been concluded in favor of the Company without any interest/ penalty.
- G.** On 5 April 2022, the Company received a show cause notice from SEBI dated 31 March 2022 seeking explanation as to why an inquiry along with penalty should not be initiated under certain provisions of the regulations in relation to RTA inspection held for the period 1 January 2019 to 31 December 2019. The Company has filed a settlement application with SEBI in accordance with Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 without admitting or denying any of the allegations made in the show cause notice and have paid the required settlement charges and received the final settlement order from SEBI on 4 November 2022.
- H.** The Company is party to certain cases relating to customer complaints which are at various levels of resolution and litigations. The management is confident of resolution of these cases in its favour and does not expect any material impact on the standalone financial statements. Further, the Company is proforma party to certain cases relating to succession matters, partition suits etc. which are at various levels of resolution and litigations. There is no direct involvement of the company in these matters and accordingly having no material impact on the standalone financial statements.

The Company is contesting the above mentioned demands and the Management believes that its position will likely be upheld in the appellate process and accordingly no expense has been accrued in the Company's standalone financial statements for the demand raised/ show cause notice received as the ultimate outcome of these proceedings will not have a material adverse effect on the standalone financial statements.

- 36.** The pre-amalgamated Company (Refer Note 44(A)) was the Registrar and Transfer Agent (RTA) of a past Client ("the Client") until 5 April 2021. The Client had a demat account ("Escrow Account") with one of the Depository Participants ("DP") for depositing its shares in escrow for the purposes of its initial public offering. The Company identified in the financial year 2020-21 that 794,489 shares were transferred by the DP (500,000 shares in 2011 (which translated into 1,000,000 shares pursuant to a bonus issue undertaken by the Client in 2017) and 294,489 shares in 2020) from the Escrow Account to the DP's own demat account and to a third party's demat account through an off-market transaction without any authorisation from the Client and without knowledge of the Company. The Board of Directors of the Company after considering legal advice purchased 1,294,489 shares and transferred these shares to the Escrow Account of the Client on a 'good faith and no fault' basis, after reducing the amount payable upon redemption, in future, of the Redeemable Preference Shares (Refer 20(i)(a)) issued in October 2021, by ₹ 300.00 Million (Refer Note 20(i)(b)). The dividend received on such shares by the Company in the financial year 2021-22 of ₹ 4.08 million was also transferred back to the Client. Intimation letters were sent to the Client and SEBI on 15 November 2021 informing them of transfer of shares to the Client's Escrow Account and refund of dividend to the Client.

Further, the Board of Directors of the Company after considering legal advice, approved payment of up to ₹ 70.00 Million (based on an estimation of potential losses that may be suffered by the Client) by the Company to the Client, for the purpose of settlement of any potential claims by the Client (including dividends on such shares for earlier periods). The Company will

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

initiate proceedings against the concerned parties, including certain minority shareholders, for recovery of the amount paid and payable by the Company to the Client in connection with this matter upon completion of final settlement with the Client. Considering the assessment of recoverability, the Company has made a provision of ₹ 72.56 Million as at 31 March 2023. Pending the final settlement of terms to be agreed with the Client, the Management has measured the provision at its best estimate.

## 37. Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED 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 the MSMED Act. Accordingly, the disclosure in respect of the amounts payable to such enterprises has been made in the standalone 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 MSMED Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said MSMED Act.

Particulars	As at 31 March 2023	As at 31 March 2022
Principal amount remaining unpaid to any supplier as at the end of the year.	8.97	1.07
Interest due thereon remaining outstanding as at the end of the year.	-	-
The amount of interest paid by the buyer as per the MSMED Act.	-	-
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 period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
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 as a deductible expenditure under section 23 of the MSMED Act.	-	-

**Note:** The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

## 38. 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.

## 39. Employee benefits

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

### (i) Defined contribution plans:

#### Employees' 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.

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 39 Employee benefits (continued)

During the year, the Company has recognised following amounts in the standalone statement of profit and loss (included in Note 29):

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Contribution to provident fund	149.71	133.05
Contribution to employee state insurance	14.34	15.72

### (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 in line 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:

Particulars	As at 31 March 2023	As at 31 March 2022
Net defined benefit liability	-	66.78
- Current (Refer Note 25)	-	1.81
- Non Current (Refer Note 21)	-	64.97
Net defined benefit Asset (Grouped under other current assets)		
- Current (Refer Note 17)	4.92	-

### 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:

#### (i) Defined benefit obligation

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance as at beginning of the year	147.16	138.90
<b>Included in Standalone statement of profit or loss</b>		
Current service cost	23.39	15.62
Interest cost	9.67	8.47
	<b>33.06</b>	<b>24.09</b>
<b>Included in Other comprehensive income</b>		
Remeasurement loss/ (gain)		
Actuarial loss/ (gain) arising from financial assumptions	(4.89)	10.26
- demographic assumptions	-	-
- experience adjustment	8.79	-
- return on plan assets including interest income	-	-
	<b>3.90</b>	<b>10.26</b>
<b>Others</b>		
Benefits paid	(24.76)	(26.09)
	<b>(24.76)</b>	<b>(26.09)</b>
<b>Balance as at end of the year</b>	<b>159.36</b>	<b>147.16</b>

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 39 Employee benefits (continued)

Fair value of plan assets	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance as at beginning of the year	(80.38)	(75.85)
<b>Included in Standalone statement of profit or loss</b>		
Expected return on plan assets	-	-
Interest income	(8.56)	(2.74)
	<b>(8.56)</b>	<b>(2.74)</b>
<b>Included in Other comprehensive income</b>		
Remeasurement loss/ (gain)	-	-
<b>Actuarial loss/ (gain) arising from:</b>		
- financial assumptions	-	-
- demographic assumptions	-	-
- experience adjustment	-	-
- return on plan assets including interest income	2.49	(1.45)
	<b>2.49</b>	<b>(1.45)</b>
<b>Others</b>		
Contributions paid by the employer	(102.59)	(26.43)
Benefits paid	24.76	26.09
	<b>(77.83)</b>	<b>(0.34)</b>
<b>Balance as at end of the year</b>	<b>(164.28)</b>	<b>(80.38)</b>
<b>Net defined benefit liability/ (asset)</b>		
Balance as at beginning of the year	66.78	63.05
<b>Included in Standalone statement of profit or loss</b>		
Current service cost	23.39	15.62
Interest cost	1.11	5.73
	<b>24.50</b>	<b>21.35</b>
<b>Included in Other comprehensive income</b>		
Remeasurement loss/ (gain)		
Actuarial loss/ (gain) arising from:		
- financial assumptions	(4.89)	10.26
- demographic assumptions	-	-
- experience adjustment	8.79	-
- on plan assets	2.49	(1.45)
	<b>6.39</b>	<b>8.81</b>
<b>Others</b>		
Benefits paid	(102.59)	(26.43)
	<b>(102.59)</b>	<b>(26.43)</b>
<b>Balance as at end of the year</b>	<b>(4.92)</b>	<b>66.78</b>

### C. Plan assets

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
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.

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 39 Employee benefits (continued)

### D. Actuarial assumptions

#### a) Economic assumptions

The principal assumptions are the discount rate, employee attrition rate and salary growth rate. Financial and demographic valuation assumptions are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate (p.a.)	7.50%	7.17%
Salary increase (p.a.)	4.00%	4.00%
Withdrawal rates (p.a.)	1.00%	1.00%

#### b) Demographic assumptions

Particulars	As at 31 March 2023	As at 31 March 2022
i) Retirement age (years)	58 years	58 years
ii) Mortality table	IALM (2006-08)	IALM (2006-08)
iii) Withdrawal rates (p.a.)	1.00%	1.00%

### 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.

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate (1% movement)		
- Increase	(18.77)	(12.18)
- Decrease	11.18	14.03
Future salary growth (1% movement)		
- Increase	12.25	17.54
- Decrease	(19.89)	(15.14)
Mortality rate (10% movement)		
- Increase	(4.77)	0.29
- Decrease	(5.07)	(0.29)
Attrition rate (1% movement)		
- Increase	(1.10)	(9.56)
- Decrease	(9.32)	10.55

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

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Duration of defined benefit payments</b>		
Less than 1 year	11.60	7.83
Between 2 - 5 years	38.68	18.31
Between 5- 10 years	78.90	39.75
Over 10 years	30.18	81.27
<b>Total</b>	<b>159.36</b>	<b>147.16</b>

Expected contribution to the post employee benefit plan during the next financial year is expected to be 31 March 2023 ₹ 30.00 Million (31 March 2022: ₹ 16.60 Million)

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 39 Employee benefits (continued)

### 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.

**Expected rate of return on plan assets:** This is based on the expectation of the average long-term rate of return expected on investments of the fund during 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 utilised 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 2023, the Company has incurred an expense on compensated absences amounting to ₹ 21.56 Million (31 March 2022: ₹ 17.57 Million). 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.

## 40. Related parties

### A. Names of related party and nature of relationship

#### i. Ultimate holding company :

GASC MGP, LLC, Delaware (Upto 28 December 2022)

#### ii. Holding Company :

General Atlantic Singapore Fund Pte Ltd (Upto 28 December 2022)

#### iii. Wholly owned subsidiaries:

- a) KFin Technologies (Bahrain) W.L.L. (formerly known as Karvy Fintech (Bahrain) W.L.L)
- b) KFin Technologies (Malaysia) SDN.BHD (formerly known as Karvy Fintech (Malaysia) SDN.BHD)
- c) KFin Services Private Limited
- d) Hexagram Fintech Private Limited (w.e.f 7 February 2022)
- e) KFin Global Technologies (IFSC) Limited (w.e.f 28 June 2022)\*

\* The subsidiary company was incorporated in 28 June 2022 under the Companies Act 2013. The transfer of consideration is yet to be done.

#### iv. Step down subsidiary

- a) Hexagram Fintech SDN. BHD (w.e.f 7 February 2022)

#### v. Associate

- a) Fintech Products and Solutions (India) Private Limited (w.e.f 22 March 23)

#### vi. Step-down subsidiary of Associate

- b) FinSec AA Socultions Private Limited (w.e.f 22 March 23)

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 40. Related parties (continued)

### vii. Enterprise where promoters/ promoter group hold control:

- a) Rubicon Research Private Limited
- b) Advagen Inc.
- c) Advagen Pharma Ltd
- d) Rubicon Consumer Healthcare Pvt Ltd
- e) Kia Biopharma Technologies Pvt Ltd
- f) Rubicon Academy LLP
- g) Rubicon Research Canada Ltd
- h) Rubicon Research Pvt Ltd (Singapore)
- i) Advagen Holding INC
- j) Advatech Bio Pharma Ltd
- k) Advagen Realty LLC
- l) General Atlantic Singapore KFT Pte Ltd

### viii. Enterprise where promoters/ promoter group hold significant influence:

- a) Ochre & Black Private Limited
- b) Krishna Institute of Medical Sciences Limited (upto 28 June 2021)
- c) Iconkrishi Institute of Medical Sciences Private Limited (upto 28 June 2021)

### ix. Key Management personnel (KMP)

- a) Venkata Satya Sreekanth Nadella, Managing Director & Chief Executive Officer
- b) Kaushik Mazumdar, Independent Director
- c) Sonu Halan Bhasin, Independent Director
- d) Sandeep Achyut Naik, Non-Executive Nominee Director
- e) Vishwanathan Mavila Nair, Non-Executive Director
- f) Shantanu Rastogi, Non-Executive Nominee Director
- g) Prashant Saran, Independent Director
- h) Srinivas Peddada, Non-Executive Nominee Director
- i) Jaideep Hansraj, Non-Executive Nominee Director (w.e.f. 10 November 2021)
- j) Vivek Narayan Mathur, Chief Financial Officer
- k) Alpana Uttam Kundu, Company Secretary

### x. Post-employment benefit plan

- a) KFinTech Employees Group Gratuity Assurance schem

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 40. Related parties (continued)

### B. Transactions with the related parties

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>i) Holding Company</b>		
<b>General Atlantic Singapore Fund Pte Ltd</b>		
Reimbursement of IPO related Expenses (Refer Note 47)	592.82	84.45
<b>ii) Wholly owned subsidiaries</b>		
<b>a) KFin Technologies (Malaysia) SDN.BHD</b>		
Fee from investor service	(104.89)	(109.04)
Reimbursement of expenses	39.76	-
<b>b) KFin Technologies (Bahrain) W.L.L.</b>		
Dividend income received	-	(30.34)
<b>c) KFin Services Private Limited</b>		
Investment in equity shares	-	55.00
Reimbursement of expenses	0.22	3.60
<b>d) Hexagram Fintech Private Limited</b>		
Investment in equity shares <sup>^</sup>	70.00	65.00
Share based payment expenses	3.51	-
Reimbursement of expenses	0.62	-
Advance to Vendors	2.00	-
<b>e) KFin Global Services Technologies (IFSC) Limited</b>		
Investment in equity shares	5.00	-
Reimbursement of expenses	0.42	-
<b>iii) Associate</b>		
<b>a) Fintech Products and Solutions (India) Private Limited</b>		
Investment in equity shares	65.00	-
<b>iv) Enterprise where promoters/ promoter group hold significant influence:</b>		
<b>Ochre &amp; Black Private Limited</b>		
Fee from investor services	-	(0.01)
<b>v) Key Management Personnel*</b>		
(a) Short-term employee benefits		
- Remuneration paid	45.71	31.27
- Incentives/ Bonus paid	38.65	15.35
(b) Share-based payment	32.01	34.73
(c) Issue of equity shares (including premium)	89.58	-
(d) Advance given	4.70	-
(e) Advance repaid	(4.70)	-
(f) Reimbursement of expenses	3.45	-

\*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.

<sup>^</sup> Excludes the initial investment made i.e. purchase consideration paid towards acquisition of Hexagram Fintech Private Limited.

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 40. Related parties (continued)

### C. Related party balances

Particulars	As at 31 March 2023	As at 31 March 2022
<b>i) Holding Company</b>		
<b>General Atlantic Singapore Fund Pte Ltd</b>		
Reimbursement of IPO related Expenses (Refer Note 47)	11.99	84.45
<b>ii) Wholly owned subsidiaries</b>		
<b>KFin Technologies (Malaysia) SDN.BHD</b>		
Trade receivables	16.75	23.17
<b>Hexagram Fintech Private Limited</b>		
Other Receivables	4.13	-
Advance to vendors	2.00	-
<b>KFin Global Services Technologies (IFSC) Limited</b>		
Other payables	(4.58)	-
<b>Key Management Personnel</b>		
Incentives/ Bonus payable	16.60	-

All related party transactions entered during the years were in ordinary course of business and are on arm's length basis.

All transactions with those related parties are priced on an arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash within a range of 30-120 days of the transaction date except as disclosed in Note 47 for reimbursement of IPO related expenses. None of the balances are secured.

## 41. 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 2023	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through OCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
<b>Non-current assets</b>								
Other non-current financial assets	-	-	50.98	50.98	-	-	-	-
<b>Current assets</b>								
Current investments	2,220.66	-	-	2,220.66	2,220.66	-	-	2,220.66
Trade receivables	-	-	1,176.43	1,176.43	-	-	-	-
Cash and cash equivalents	-	-	570.00	570.00	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	150.10	150.10	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Other current financial assets	-	-	196.85	196.85	-	-	-	-
	<b>2,220.66</b>	<b>-</b>	<b>2,144.36</b>	<b>4,365.02</b>	<b>2,220.66</b>	<b>-</b>	<b>-</b>	<b>2,220.66</b>
<b>Financial liabilities</b>								
<b>Non-current Liabilities</b>								
Borrowings	-	-	-	-	-	-	-	-
Lease liabilities	-	-	248.05	248.05	-	-	-	-
<b>Current Liabilities</b>								
Borrowings	-	-	1,300.69	1,300.69	-	-	-	-
Lease liabilities	-	-	40.75	40.75	-	-	-	-
Trade payables	-	-	246.92	246.92	-	-	-	-
Other current financial liabilities	-	-	351.61	351.61	-	-	-	-
	<b>-</b>	<b>-</b>	<b>2,188.02</b>	<b>2,188.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 41. Financial instruments - Fair values and risk management (continued)

As at 31 March 2022	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
<b>Financial assets</b>								
<b>Non-current assets</b>								
Other non-current financial assets	-	-	61.44	61.44	-	-	-	-
<b>Current assets</b>								
Current investments	930.83	-	-	930.83	930.83	-	-	930.83
Trade receivables	-	-	1,070.64	1,070.64	-	-	-	-
Cash and cash equivalents	-	-	309.22	309.22	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	1.23	1.23	-	-	-	-
Loans	-	-	1.41	1.41	-	-	-	-
Other current financial assets	-	-	187.08	187.08	-	-	-	-
	<b>930.83</b>	<b>-</b>	<b>1,631.02</b>	<b>2,561.85</b>	<b>930.83</b>	<b>-</b>	<b>-</b>	<b>930.83</b>
<b>Financial liabilities</b>								
<b>Non-current Liabilities</b>								
(i) Borrowings	-	-	1,225.14	1,225.14	-	-	-	-
(ii) Lease liabilities	-	-	241.94	241.94	-	-	-	-
<b>Current Liabilities</b>								
Borrowings	-	-	-	-	-	-	-	-
Lease liabilities	-	-	114.94	114.94	-	-	-	-
Trade payables	-	-	239.36	239.36	-	-	-	-
Other current financial liabilities	-	-	305.99	305.99	-	-	-	-
	<b>-</b>	<b>-</b>	<b>2,127.37</b>	<b>2,127.37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 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 to 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.

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 41. Financial instruments - Fair values and risk management (continued)

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

Carrying amount and Fair value	As at 31 March 2023		As at 31 March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Loans	-	-	1.41	1.41
Other non current financial assets	50.98	50.98	61.44	61.44
Trade receivables	1,176.43	1,176.43	1,070.64	1,070.64
Cash and cash equivalents	570.00	570.00	309.22	309.22
Bank balances other than cash and cash equivalent	150.10	150.10	1.23	1.23
Other current financial assets	196.85	196.85	187.08	187.08
	<b>2,144.36</b>	<b>2,144.36</b>	<b>1,631.02</b>	<b>1,631.02</b>
<b>Financial liabilities</b>				
Borrowings	1,300.69	1,300.69	1,225.14	1,225.14
Trade payables	246.92	246.92	239.36	239.36
Lease liabilities	288.80	288.80	356.88	356.88
Other financial liabilities	351.61	351.61	305.99	305.99
	<b>2,188.02</b>	<b>2,188.02</b>	<b>2,127.37</b>	<b>2,127.37</b>

The carrying amounts of the financial assets and liabilities measured at amortised cost are considered to be their fair values as these carrying amounts are a reasonable approximation of their corresponding fair values

## 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:

- a) Credit risk ;
- b) Liquidity risk ; and
- c) Market risk

#### i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations 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.

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 41. Financial instruments - Fair values and risk management (continued)

### a. Loans

It consists of employee payables. The Company does not expect any 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 40 days. The Company review includes external ratings, customer's credit worthiness, if they are available, and in some cases bank references.

The customer base of the Company comprises of various corporate, state governments and mutual fund houses all having sound financial condition. An impairment analysis is performed at each reporting date on invoice wise receivables balances.

**Geographical concentration of credit risk:** Geographical concentration of trade receivables (gross) is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Outside India	55.90	69.54
Within India	1,279.70	1,202.50
<b>Total</b>	<b>1,335.60</b>	<b>1,272.04</b>

Geographical concentration of trade receivables (gross) is based on the location of the customers.

### 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.

### Investments in equity instrument of other companies and mutual funds

The credit risk for the investments in equity instrument of other companies and mutual funds is considered as negligible as the counter parties are reputable Companies and 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 2023	As at 31 March 2022
Trade receivables (Gross)	1,335.60	1,272.04

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 41. Financial instruments - Fair values and risk management (continued)

During the year, the Company has made write-offs of trade receivables as disclosed in Note 32 as 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 12 for Reconciliation of loss allowance provision for Trade receivables.

### ii. 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 to 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. The Company has a net current assets of ₹ 2,224.24 Million as at 31 March 2023 (31 March 2022: ₹ 1,614.15 Million).

### Maturities of financial liabilities

The following are the remaining contractual maturities of

Particulars	Carrying amount as at 31 March 2023	Contractual cash flows				
		Total	Up to 1 year	Between 1 - 2 years	Between 2 - 5 years	More than 5 year
<b>Non-derivative financial liabilities</b>						
Trade payables	246.92	246.92	246.92	-	-	-
Borrowings *	1,300.69	1,340.00	1,340.00	-	-	-
Lease liabilities	288.80	371.58	77.93	71.21	162.91	59.53
Other financial liabilities	351.61	351.61	351.61	-	-	-
<b>Total</b>	<b>2,188.02</b>	<b>2,310.11</b>	<b>2,016.46</b>	<b>71.21</b>	<b>162.91</b>	<b>59.53</b>

\* The contractual Cash flows includes interest obligation on borrowings

Particulars	Carrying amount as at 31 March 2022	Contractual cash flows				
		Total	Up to 1 year	Between 1 - 2 years	Between 2 - 5 years	More than 5 year
<b>Non-derivative financial liabilities</b>						
Trade payables	239.36	239.36	239.36	-	-	-
Borrowings *	1,225.14	1,340.00	-	1,340.00	-	-
Lease liabilities	356.88	435.04	139.20	66.87	144.19	84.78
Other financial liabilities	305.99	305.99	305.99	-	-	-
<b>Total</b>	<b>2,127.37</b>	<b>2,320.39</b>	<b>684.55</b>	<b>1,406.87</b>	<b>144.19</b>	<b>84.78</b>

\* The contractual Cash flows includes interest obligation on borrowings

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 41. Financial instruments - Fair values and risk management (continued)

### 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:

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Fixed-rate instruments</b>		
Financial assets	151.29	4.52
Financial liabilities	0.20	0.20

#### 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 2023		As at 31 March 2022	
	Amount in FC	Amount in ₹	Amount in FC	Amount in ₹
Trade receivables:				
USD	0.43	35.40	0.54	40.70
CAD	-	0.14	0.02	1.03
AUD	0.09	4.90	0.10	5.81
GBP	0.01	0.82	0.01	1.04

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 41. Financial instruments - Fair values and risk management (continued)

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the ₹ against all other currencies at year-end would have affected the measurement of financial instruments denominated in a foreign currency and affected 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
<b>For the year ended 31 March 2023</b>				
USD (1% movement)	(0.35)	0.35	(0.26)	0.26
CAD (5% movement)	(0.01)	0.01	(0.01)	0.01
AUD (1% movement)	(0.05)	0.05	(0.04)	0.04
GBP (10% movement)	(0.08)	0.08	(0.06)	0.06
<b>For the year ended 31 March 2022</b>				
USD (1% movement)	(0.41)	0.41	(0.30)	0.30
CAD (5% movement)	(0.05)	0.05	(0.04)	0.04
AUD (1% movement)	(0.06)	0.06	(0.04)	0.04
GBP (10% movement)	(0.10)	0.10	(0.08)	0.08

## 42. 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.
- ensure compliance with regulatory minimum networth required to be maintained in accordance with SEBI guidelines.

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 current equity instrument of other companies and investment in mutual funds) divided by total 'equity' (as shown in the balance sheet, excluding Capital reserve, Capital redemption reserve, Debenture redemption reserve, Share based payment reserve and Statutory reserve). The gearing ratios were as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Net debt*	-	0.00
Total equity	8,426.92	6,186.98
<b>Net debt to equity ratio</b>	<b>0.00%</b>	<b>0.00%</b>

\* Net debt is computed as Borrowings less sum of Cash and cash equivalents, Bank balances and Current Investments. As at 31 March 2023 Nil Million. (31 March 2022, Net debt position is negative and hence represented as Nil.

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 42. Capital management (continued)

### Debt covenants

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

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

The Company complied with these covenants till the date of repayment and these are not applicable thereafter.

Further, the SEBI (Registrars to an Issue and Share Transfer Agents), Rules and Regulations, 1993 require the Company to maintain a minimum net worth of ₹ 50 Million at all times. Such net worth is computed based on a formula given in the SEBI guidelines as per which Net worth = Share capital + Free reserves and surplus - debit balance in the P&L - Preliminary expenses not written off - Intangible assets - Deferred Tax assets. For computing this net worth, the carrying value of goodwill amounting to ₹ 5,162.56 as at 31 March 2023, (31 March 2022: ₹ 5,162.56 million) that has arisen on account of the business combinations is not deducted by the management. This is consistent with the methodology followed by the Company in the submissions made earlier to SEBI and is based on legal advice obtained by the Company. Basis such computation, the Company is in compliance with the minimum net worth criteria as per aforementioned SEBI guidelines.

## 43. Impairment test of goodwill

The Company is carrying goodwill aggregating to ₹ 5,162.56 Million as at 31 March 2023 and as at 31 March 2022 referred to in Note 4 and 44. For the purpose of impairment testing, the carrying amount of goodwill has been allocated to the following CGUs.

Particulars	As at 31 March 2023	As at 31 March 2022
Domestic mutual fund investor solutions	4,245.54	4,245.54
Issuer Solutions	511.71	511.71
International and other investor solutions	309.45	309.45
Global business services	95.85	95.85

For the year ended 31 March 2023, the goodwill impairment has been assessed at the CGU level. The recoverable amount of the Goodwill has been determined as per value in use method using discounted cash flows. 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 reasonable period that 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 Company performs an annual impairment test of goodwill. The latest impairment test was performed for the year ended 31 March 2023 and the actual performance of the CGU has been monitored against the budgets for the year ended 31 March 2024.

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 43. Impairment test of goodwill (continued)

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

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	15.32%	14.00%
Terminal value rate	5.00%	5.00%
Revenue growth rate	5% to 35%	2% to 45%

- 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 growth rate, consistent with the assumptions that a market participant would make.
- Budgeted revenue has been estimated taking into account past experience and expected growth in the next five years.

The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash - generating unit.

## 44 Business combination

### (A) Amalgamation of the 'RTA undertaking' of KCL into the Company and Amalgamation of KCPL into the Company

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 (NCLT) 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 ₹ 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 ₹ 1,093.75 Million has been recorded as Goodwill.

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 44 Business combination (continued)

### Amalgamation of KCPL into the Company

On 17 November 2018, the Company acquired a 50% stake in KCPL from an existing shareholder. Further, on 17 November 2018, the 'RTA Undertaking' of KCL got amalgamated into the Company, thus vesting the remaining 50% stake of KCPL to the Company. Accordingly, on 17 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 17 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 16 November 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 ₹ 5,655.41 Million has been recorded as Goodwill.

As per the Scheme, the cumulative goodwill arising on the transaction amounting to ₹ 6,749.15 Million 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 values of the above assets and liabilities taken over is not expected to be materially different from their carrying values. The excess of fair value of the equity shares issued as consideration over face value of such shares is ₹ 704.66 million with a consequential impact of Goodwill/ Intangible assets.

- (B)** The Board of Directors of the Company at its meeting held on 01 September 2021, have approved the application filed with National Company Law Tribunal ('NCLT application') on 28 October 2021 for discontinuing amortisation of goodwill. As per the Scheme approved earlier in October 2018, the goodwill was being amortised over a period of ten years. Pursuant to the approval of the NCLT application via order dated 2 March 2022, the amortisation of goodwill has been discontinued with effect from 1 April 2021. As per Ind AS 36– Impairment of Assets, the Company continues to annually test the impairment on Goodwill. Also, Refer Note 43 for further details of Impairment testing of goodwill.

## 45 Share Based Payments

The shareholders of the Company vide their meeting held on 31 July 2019 have authorised the Board of Directors to introduce, offer and provide share-based incentives to eligible employees of the Company under KFPL Employee Stock Option Plan 2019 ('ESOP Plan 2019'). The maximum number of shares that the Company can issue under the ESOP plan 2019 were 9,593,839 equity shares. Subsequently, the members of the Company have approved renaming the plan as Employee Stock Option Plan 2020 ('ESOP Plan 2020') and cancellation of 2,500,000 options in EGM held on 20 October 2020. The Board and Nomination and Remuneration Committee (NRC) of the Company have notified seven schemes under the ESOP Plan 2020 up to 30 September 2022. The revised number of options available under the ESOP plan 2020 pool are 7,093,839 equity shares as at 31 March 2023 (31 March 2022: 7,093,839). The options under these schemes vest to the employees based on various performance and other parameters. As at 31 March 2023, the Company has granted 5,981,830 (net) (31 March 2022: 6,502,563) options to eligible employees as identified by the NRC. These options vests between a minimum of 1 to 3.65 years from the date of grant.

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## A Description of share based payment arrangements

Particulars	Scheme A	Scheme B	Scheme C	Scheme D	Scheme E	Scheme F	Scheme G
Date of Grant	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20 1-Nov-21	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20 1-Nov-21	01-Nov-21 24-Mar-22	01-Nov-21 24-Mar-22	01-Nov-21	24-Mar-22
Number of options in pool							70,93,839
<b>Total number of options granted as at</b>							
As at 31 March 2023	9,62,304	13,29,603	11,48,260	16,77,761	3,62,183	3,03,380	1,98,339
As at 31 March 2022	10,02,514	13,92,641	12,23,370	19,03,905	3,85,170	3,96,823	1,98,340
Exercise period	7 years from the date of listing of shares on the stock exchange for continuing employee or deceased employee and a period of 3 years from the date of listing of shares on the stock exchange for ex-employees						
Vesting condition	Time based vesting condition	Achievement of performance condition and non-market based condition	Achievement of non-market based condition	Time based vesting condition	Achievement of performance condition and non-market based condition	Achievement of non-market based condition	Achievement of performance condition
Vesting Period	15%-end of year 1 15%-end of year 2 35%- end of year 3 35%-end of year 4	50% or 100% on achievement of target specified in the scheme or 100% non-market based condition	100% on achievement of condition specified in the scheme or 100% non-market based condition	20%-end of year 1 20%-end of year 2 30%- end of year 3 30%-end of year 4	50% or 100% on achievement of target specified in the scheme or 100% non-market based condition	100% on achievement of condition specified in the scheme or 100% non-market based condition	100% on achievement of condition specified in the scheme
Exercise price	70.36 91.98 110.00	70.36 91.98 110.00 185.00	70.36 91.98 110.00 185.00	185.00	185.00	185.00	185.00

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## B Measurement of fair values

The fair value of the options granted during the period and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans measured based on the Black Scholes valuation model are as follows:

Particulars	Scheme A	Scheme B	Scheme C	Scheme D	Scheme E	Scheme F	Scheme G
Date of grant	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20 1-Nov-21	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20 1-Nov-21	01-Nov-21 24-Mar-22	01-Nov-21 24-Mar-22	01-Nov-21	24-Mar-22
Fair Value of option (in ₹)	33.57/ 33.52 35.78	33.57/ 33.52 35.78/52.56	33.57/ 33.52 35.78/52.56	52.56/51.92	52.56/51.92	52.56	51.92
Exercise price	70.36 91.98 110.00	70.36 91.98 110.00 185.00	70.36 91.98 110.00 185.00	185.00	185.00	185.00	185.00
Risk free interest rate	6.47%/ 6.88% 6.40%	6.47%/ 6.88% 6.40%/6.79%	6.47%/ 6.88% 6.40%/6.79%	6.79%/ 7.12%	6.79%/ 7.12%	6.79%	7.12%
Remaining contractual life	7/ 3 years	7/ 3 years	7/ 3 years	7/ 3 years	7/ 3 years	7/ 3 years	7/ 3 years
Expected life of share options (years)	8.15/7.72 years 7.06 years	8.15/7.72 years 7.06 years/ 4.16 years	8.15/7.72 years 7.06 years/ 4.16 years	4.16 years/ 3.77 years	4.16 years/ 3.77 years	4.16 years	3.77 years
Expected volatility (weighted average volatility %)	14.61%/ 13.96% 16.16%	14.61%/13.96% 16.16%/17.62%	14.61%/13.96% 16.16%/17.62%	17.62%/19.34%	17.62%/ 19.34%	17.62%	17.62%/ 19.34%
Expected dividend yields (%)	-	-	-	-	-	-	-

> The expected life of the share options is based on current expectations and is not necessarily indicative of exercise patterns that may occur.

> Since there are no listed companies in the Indian market that are absolutely comparable to Company, volatility of returns on the BSE500 index for historical period has been considered. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

> The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option. The average remaining contractual life for the stock options outstanding is 3.77 years as at 31 March 2022 i.e. 0.27 years post lock in period of 1 year and average life of 3.5 years from the date of listing (31 March 2023: 7.06 (31 March 2022: 7.06 years post lock in period of 3.5 years and average life of 3.5 years from the date of listing).

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 45 Share Based Payments (continued)

### C Reconciliation of share options

Particulars	Number of options	
	As at 31 March 2023	As at 31 March 2022
Outstanding at beginning of the year	6,502,563	2,666,728
Granted during the year	-	4,064,126
Forfeited during the year	(520,933)	(228,091)
Exercised during the year	(1,659,816)	(200.00)
Outstanding at end of the year	4,321,814	6,502,563
Exercisable at the end of the year	-	-

During the year ended 31 March 2023, the Company has not granted any options (31 March 2022: 4,064,126) under ESOP Plan 2019 to eligible employees as identified by the Nomination and Remuneration Committee (NRC).

### D Effect of the Employee option plan on the consolidated statement of profits and loss and on its financial position

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Total employee compensation cost pertaining to stock option plan (Refer Note 29)	79.93	91.45
Reserves- Employee stock option plan outstanding as at the year (Refer Note 19)	139.72	120.50

## 46. Revenue from contract with customers

### (a) Type of Service

Particulars	Timing of recognition	For the year ended 31 March 2023	For the year ended 31 March 2022
Fee from domestic mutual fund investor solutions	Over the period	4,972.25	4,600.45
Fee from issuer solutions	Over the period	1,132.96	884.14
Fee from international and other investor solutions	Over the period	421.58	340.07
Fee from global business services	Over the period	437.71	422.43
<b>Total</b>		<b>6,964.50</b>	<b>6,247.09</b>

### (b) Contract balances:

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables, net*	1,176.43	1,070.64
Contract liabilities (unearned income and advance from customers)	22.52	48.67

\*Trade receivables are non-interest bearing and generally on terms of payment of 40 days.

### (c) Reconciliation of revenue with contract price

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Contract price	6,983.28	6,275.63
Less : Adjustments for price concessions/ credits	(18.78)	(28.54)
<b>Revenue from operations</b>	<b>6,964.50</b>	<b>6,247.09</b>

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 46. Revenue from contract with customers (continued)

### (d) Movement in contract liabilities (Unearned income)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening Balance	7.50	12.56
Movement during the year, net	(0.23)	(5.06)
<b>Closing balance of deferred revenue</b>	<b>7.27</b>	<b>7.50</b>

Performance obligation :- The Company enters into contracts with customers for rendering Domestic Mutual Fund Investor Solutions, Issuer Solutions, International and Other Investor Solutions and Global Business Services. The performance obligation for all of these services is satisfied over the period.

Transaction price :- Contract price is determined as per terms agreed with the customer and no further adjustments are made to the same

Payment terms :- The amounts receivable from customers become due after expiry of credit period which on an average is less than 40 days. The contracts entered with customers do not have significant financing component.

Transaction price allocated to remaining performance obligations :- The Company has applied the practical expedient in Ind AS 115 for disclosing information about its remaining performance obligations as the Company has a right to invoice and right to consideration from its customers with respect to the Company performance completed till the reporting date.

47. As at 31 March 2023, the Company has incurred expenses for various services in connection with its proposed initial public offering ('IPO') of equity shares of aggregating to ₹ 677.27 Million (As at 31 March 22: 84.72 Million). In accordance with the Offer Agreement entered between the Company and the selling shareholder, the selling shareholder shall reimburse such offer related expenses. Accordingly, the Company has recovered partial amount and will recover the remaining expenses incurred in connection with the IPO. The balance amount receivable has been disclosed under the head "IPO related expenses" under "other current financial assets".

## 48. Ratios as per Schedule III requirements

Particulars	As at 31 March 2023	As at 31 March 2022
<b>i) Current ratio = Current assets divided by current liabilities</b>		
Current assets	4,488.50	2,585.26
Current liabilities	2,261.24	971.11
<b>Ratio</b>	<b>1.98</b>	<b>2.66</b>
<b>% change from the previous year</b>	<b>-25%</b>	
<b>Reason for change more than 25%:</b>		
There has been increase in the current liabilities primarily due to change in the classification of premium payable on redemption of Redeemable Preference Share from non-current in previous year to current liabilities in current year. These are payable in October 2024 (Refer Note 20).		
<b>ii) Debt equity ratio = Total debt divided by Total equity where total debt refers to sum of current &amp; non current borrowings</b>		
Total debt (including current maturities and interest accrued)	1,300.69	1,225.14
Total equity	8,716.62	6,457.46
<b>Ratio</b>	<b>0.15</b>	<b>0.19</b>
<b>% change from the previous year</b>	<b>-21%</b>	
<b>Reason for change more than 25%: Not applicable</b>		

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 48. Ratios as per Schedule III requirements (continued)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>iii) Debt Service Coverage Ratio = Earnings available for debt services divided by Total interest and principal repayments</b>		
Net profit before tax	2,594.10	2,076.30
<b>Add: Non cash operating expenses and finance cost</b>	<b>540.60</b>	<b>889.95</b>
- Depreciation and amortisation	434.48	361.64
- Finance costs	106.12	528.31
<b>Earnings available for debt services</b>	<b>3,134.70</b>	<b>2,966.25</b>
Interest cost on borrowings*	75.55	413.09
Principal repayments	1,300.69	4,745.14
<b>Total Interest and principal repayments</b>	<b>1,376.24</b>	<b>5,158.23</b>
<b>Ratio</b>	<b>2.28</b>	<b>0.58</b>
<b>% change from the previous year</b>	<b>296%</b>	
<b>Reason for change more than 25%:</b>		
The Company has repaid its entire non convertible debentures in December 2021 and therefore the principal repayment for current year and interest cost has reduced.		
<b>iv) Return on Equity Ratio/ Return on Investments Ratio = Net profit after tax divided by average equity</b>		
Net profit after tax	1,962.53	1,530.14
Average equity	7,587.04	4,946.55
<b>Ratio</b>	<b>0.26</b>	<b>0.31</b>
<b>% change from the previous year</b>	<b>-16%</b>	
<b>Reason for change more than 25%: Not Applicable</b>		
<b>v) Trade Receivables turnover ratio = Credit Sales divided by average trade receivables</b>		
Credit sales	6,964.50	6,247.09
Closing trade receivable	1,123.54	1,074.67
<b>Ratio</b>	<b>6.20</b>	<b>5.81</b>
<b>% change from the previous year</b>	<b>7%</b>	
<b>Reason for change more than 25%: Not Applicable</b>		
<b>vi) Net capital turnover ratio = Net sales divided by working capital whereas working capital = current assets - current liabilities</b>		
Net sales	6,964.50	6,247.09
Working capital	2,227.26	1,614.15
<b>Ratio</b>	<b>3.13</b>	<b>3.87</b>
<b>% change from the previous year</b>	<b>-19%</b>	
<b>Reason for change more than 25%: Not Applicable</b>		
<b>vii) Net profit ratio = Net profit after tax divided by net sales</b>		
Net profit after tax	1,962.53	1,530.14
Net sales	6,964.50	6,247.09
<b>Ratio</b>	<b>0.28</b>	<b>0.24</b>
<b>% change from the previous year</b>	<b>16.67%</b>	
<b>Reason for change more than 25%: Not Applicable</b>		
<b>viii) Return on Capital employed =Earnings before interest and taxes (EBIT) divided by Capital Employed</b>		
Profit before tax (A)	2,594.10	2,076.30
Finance costs (B)	106.12	528.31
<b>EBIT (A)+(B)</b>	<b>2,700.22</b>	<b>2,604.61</b>

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 48. Ratios as per Schedule III requirements (continued)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Capital employed (C)-(D)-(E)-(F)-(G)</b>	<b>7,236.02</b>	<b>7,982.44</b>
Total Assets (C)	12,438.02	10,194.83
Current liabilities (D)	2,261.24	971.11
Current investments (E)	2,220.66	930.83
Cash and cash equivalents (F)	570.00	309.22
Bank balances other than cash and cash equivalents (G)	150.10	1.23
<b>Ratio</b>	<b>0.37</b>	<b>0.33</b>
<b>% change from the previous year</b>	<b>12%</b>	
<b>Reason for change more than 25%: Not Applicable</b>		

The Company is into the business of rendering services and therefore inventory turnover ratio and trade payable turnover ratio are not applicable and accordingly not presented.

49. Subsequent to the year ended 31 March 2023, the Company has acquired 100% stake in WebileApps (India) Private Limited by investing ₹ 110 million. The acquisition will integrate Company's deep domain knowledge with WebileApps's technical expertise, offering clients with world-class products and platforms with the potential to unlock new revenue streams and markets. The acquisition offers several advantages, including accelerated product development in SaaS and PaaS models, brings in additional cloud, artificial intelligence and design expertise that will differentiate KFinTech and help explore untapped segments and geographies besides adding significant value to its clients.
50. As at 31 March 2023 and 31 March 2022, the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
51. The Company has not given any loan or guarantee or provided any security as covered under Section 186 of the Companies Act, 2013. Accordingly, the disclosure requirements to that extent does not apply to the Company.
52. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries for the year ended 31 March 2023.

During the previous year ended 31 March 22, the Company has infused funds into one of its subsidiaries i.e., KFin Services Private Limited ('Subsidiary Company') with the understanding that the subsidiary company will make such investments in the Artivatic Data Labs Private Limited and details of the investments transaction are as follows:

Funding Party	Date of funds transferred	Amount of funds transferred	Name of ultimate Beneficiary	Date of investment in Ultimate Beneficiary	Amount of investments in Ultimate Beneficiary
KFin Technologies Limited	06-Apr-21	45.00	Artivatic Data Labs Private Limited	08-Apr-21	5.00
KFin Technologies Limited	27-Nov-21	10.00	Artivatic Data Labs Private Limited	30-Apr-21	35.00
			Artivatic Data Labs Private Limited	23-Dec-21	4.00
		<b>55.00</b>			<b>44.00</b>

# Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

During the year ended 31 March 2022, the Subsidiary Company made an investment of ₹ 44.00 Million (towards purchase of equity and preference shares of Artivatic Data Labs Private Limited) for which it incurred transaction costs of ₹ 7.34 Million. Subsequently, during that year these investments were disposed for an amount of ₹ 44.00 Million and accordingly the amount of ₹ 7.34 Million has been charged to Company's statement of profit and loss.

53. The Company has converted itself from private limited to public limited, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on 28 January 2022 and consequently the name of the Company has changed to "KFin Technologies Limited" pursuant to a fresh certificate of incorporation by the Registrar of Companies on 24 February 2022.
54. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
55. To the best of our knowledge, the Company does not have any transactions with companies struck off.
56. The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
57. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
58. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
59. The Company does not have borrowings from banks and financial institutions on the basis of security of current assets. Hence, no quarterly returns or statements of current assets are being filed by the Company with banks and financial institutions.

## 61. Events after reporting period:

Subsequent to the year ended March 31, 2023, the Parent Company has acquired 100% stake in WebileApps (India) Private Limited by investing ₹ 110.00 million. The acquisition will integrate Company's deep domain knowledge with WebileApps's technical expertise, offering clients with world-class products and platforms with the potential to unlock new revenue streams and markets. The acquisition offers several advantages, including accelerated product development in SaaS and PaaS models, brings in additional cloud, artificial intelligence and UI/UX expertise that will differentiate KFinTech and help explore untapped segments and geographies besides adding significant value to its clients.

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

As per our Report of even date attached

**for B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 116231 W/W-100024

**Amit Kumar Bajaj**

Partner

Membership No.: 218685

Place: Mumbai

Date: 05 May 2023

for and on behalf of Board of Directors of

**KFin Technologies Limited**

CIN: L72400TG2017PLC 117649

**Vishwanathan M Nair**

Chairman

DIN: 02284165

Place: Mumbai

Date: 05 May 2023

**Venkata Satya Naga Sreekanth Nadella**

Managing Director & Chief Executive Officer

DIN: 08659728

Place: Mumbai

Date: 05 May 2023

**Vivek Narayan Mathur**

Chief Financial Officer

Membership no.: A089454

Place: Mumbai

Date: 05 May 2023

**Alpana Uttam Kundu**

Company Secretary

Membership no.: F10191

Place: Mumbai

Date: 05 May 2023

# Independent Auditor's Report

To the Members of KFin Technologies Limited (Formerly known as KFin Technologies Private Limited)  
**Report on the Audit of the Consolidated Financial Statements**

## Opinion

We have audited the consolidated financial statements of KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate, which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and together with the overriding effect of the scheme of arrangement as approved by the National Company Law Tribunal ('NCLT'), regarding accounting of the amalgamation of Karvy Computershare Private Limited (KCPL) and the 'RTA Undertaking' of Karvy Consultants Limited (KCL) into the Company, as explained in Para A of Emphasis of Matters section below, give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group, its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred

to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

## Emphasis of Matters

- A. We draw attention to Note 44B of the consolidated financial statements, regarding the amalgamation of Karvy Computershare Private Limited (KCPL) and the 'RTA Undertaking' of Karvy Consultants Limited

(KCL) into the Holding Company accounted for in financial year 2018-2019 with effect from 17 November 2018. In accordance with the scheme approved by National Company Law Tribunal (NCLT) the amalgamation had been accounted for as per Accounting Standard 14 – 'Accounting for Amalgamations'. Accordingly, all assets and liabilities of KCPL and of the RTA Undertaking of KCL had 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 Holding Company to the shareholders of KCL and cost of investment in equity shares of KCPL) amounting to ₹ 6,694.10 million had been debited to goodwill. This goodwill was being amortised over a period of ten years as per the terms of the scheme and was also being tested for impairment every year. Such accounting treatment of this transaction was different from that prescribed under Ind AS 103 – 'Business Combinations' which became applicable to the Holding Company from the year ended 31 March 2019 and which requires assets, liabilities and consideration to be measured at fair value and goodwill to be tested only for impairment.

On 02 March 2022, the Holding Company obtained approval of NCLT for not amortising goodwill with effect from 01 April 2021.

- B. We draw attention to Note 36 of the consolidated financial statements, where the pre-amalgamated Company was the Registrar and Transfer Agent ("RTA") of a past client ("the Client") until 5 April 2021. The Client had a demat account with one of the Depository Participants ("DP") for depositing its shares in escrow for the purposes of its initial public offering ("IPO"). The Holding Company identified that 1,294,489 shares were transferred by the DP (in 2011 and 2020) from the said escrow account of the Client to the DP's own

## Independent Auditor's Report (Continued)

demat account and to a Third Party's Demat account through an off market transaction without any authorisation from the Client. The Board of Directors of the Holding Company after considering legal advice transferred 1,294,489 shares to the escrow account of the Client on a 'good faith and no fault' basis, after reducing the amount payable upon redemption, in future, of the Redeemable Preference Shares (refer Note 20(i)(a) to the consolidated financial statements) issued in October 2021, by ₹ 300 million (Refer Note 20(i)(b) to the consolidated financial statements), pursuant to an indemnity clause contained in the agreement for the issuance of such Redeemable Preference Shares. The dividend received on such shares by the Holding Company in the financial year 2021-22 of ₹ 4.08 million was also transferred back to the Client.

The Holding Company has recognised an amount of ₹ 72.56 million as a provision as of 31 March 2023 in the consolidated financial statements related to potential claims by the Client (including dividends on such shares

for the earlier periods). Pending the final settlement of terms to be agreed with the Client, the Holding Company has measured the said provision at its best estimate. The Holding Company will initiate proceedings against the concerned parties, including certain minority shareholders, for recovery of the amount paid and payable by the Holding Company to the Client in connection with this matter upon completion of final settlement with the Client.

Our opinion is not modified in respect of these matters.

### Key Audit Matter

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

### Key audit matter

See Note 2(L) to consolidated financial statements

#### The key audit matter

##### Revenue Recognition

Revenue is a key performance measure for the Group. 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".

There exists a risk of revenue not being recognised in proportion to the service performed by the Group. Further, revenue may also be recorded in an incorrect period or on a basis which is inconsistent with the contractual terms agreed with the customers.

#### How the matter was addressed in our audit

Our audit procedures included the following:

1. Assessed the Group's revenue recognition policies for compliance with Ind AS;
2. Evaluated the design and implementation and tested the operating effectiveness of the relevant key internal controls with respect to revenue recognition;
3. Performed substantive testing on samples selected using statistical sampling method for revenue transactions recorded during the year by testing the underlying documentation/ records;
4. Involved our information technology specialists to test the general information technology controls and key application controls surrounding revenue recognition;
5. Tested on a sample basis using statistical sampling method, specific revenue transactions recorded before and after the financial year end date to check revenue recognition in the correct financial period; and
6. Carried out year on year variance analysis on revenue recognised during the year to identify unusual variances.

## Independent Auditor's Report (Continued)

### Other Information

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

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

### Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and

presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and the respective Board of Directors of its associate are responsible for overseeing the financial reporting process of each company.

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

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

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

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

## Independent Auditor's Report (Continued)

- 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

### Other Matters

- a. We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 341.97 million as at 31 March 2023, total revenues (before consolidation adjustments) of ₹ 344.12 million and net cash outflows (before consolidation adjustments) amounting to ₹ 36.18 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective country and which have been audited by other auditors under generally accepted auditing standards applicable in their

## Independent Auditor's Report (Continued)

respective country. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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.
  2. A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
    - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
    - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
    - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements, read together with the matter referred to in para A of Emphasis of Matters section comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Holding Company as on 01 April 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 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 Holding Company and its subsidiary companies incorporated in India 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:
- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 35 to the consolidated financial statements.
  - b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.
  - c. There are no amounts which are required to be transferred to the Investor Education and

## Independent Auditor's Report (Continued)

Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2023.

- d. (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 49 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 49 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing

or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- e. The Holding Company and its subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.: 116231W/W-100024

**Amit Kumar Bajaj**

Partner

Place: Mumbai

Membership No.: 218685

Date: 05 May 2023

ICAI UDIN:23218685BGXHIP8672

## Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) for the year ended 31 March 2023

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

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	KFin Services Private Limited	U65100TG2020 PTC138221	Subsidiary	Clause (xvii)
2	KFin Global Technologies (IFSC) Limited	U67100GJ2022 PLC133312	Subsidiary	Clause (xvii)
3	Hexagram Fintech Private Limited	U72900KA2020 PTC135994	Subsidiary	Clause (xvii)

The above does not include comments, if any, in respect of the following entity as the CARO report relating to them has not been issued by its auditor till the date of principal auditor's report.

Name of the entity	CIN	Subsidiary/ JV/ Associate
Fintech Products and Solutions (India) Private Limited	U72900TG2016TPC109756	Associate

### For B S R & Associates LLP

Chartered Accountants

Firm's Registration No.: 116231W/W-100024

**Amit Kumar Bajaj**

Partner

Membership No.: 218685

ICAI UDIN:23218685BGXHIP8672

Place: Mumbai

Date: 05 May 2023

## **Annexure B to the Independent Auditor's Report on the consolidated financial statements of KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) for the year ended 31 March 2023**

### **Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

#### **Opinion**

In conjunction with our audit of the consolidated financial statements of KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditors, the Holding 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 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls 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 and Board of Directors' Responsibilities for Internal Financial Controls**

The respective 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to 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 if 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 internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 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 consolidated 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 consolidated financial statements in accordance with generally accepted accounting

principles, and that receipts and expenditures of the company are being made only in accordance with 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 consolidated 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.

Place: Mumbai  
Date: 05 May 2023

**For B S R & Associates LLP**  
Chartered Accountants  
Firm's Registration No.: 116231W/W-100024

**Amit Kumar Bajaj**  
Partner  
Membership No.: 218685  
ICAI UDIN:23218685BGXHIP8672

# Consolidated Balance Sheet

(All amounts are in ₹ millions, unless otherwise stated)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
<b>I. ASSETS</b>			
<b>(1) Non-current assets</b>			
Property, plant and equipment	3	402.72	337.62
Capital work-in-progress	3	0.21	6.33
Right-of-use assets	6	268.66	337.31
Goodwill	4	5,434.31	5,434.31
Other intangible assets	5	807.55	576.11
Intangible assets under development	5	397.50	339.44
Investments accounted for using the equity method	7	65.00	-
Financial assets			
(i) Other financial assets	8	52.63	61.48
Deferred tax assets (net)	34	8.81	-
Non-current tax assets (net)	9	319.25	369.45
Other non-current assets	10	7.24	12.04
<b>Total non-current assets</b>		<b>7,763.88</b>	<b>7,474.09</b>
<b>(2) Current assets</b>			
Financial assets			
(i) Investments	11	2,220.66	930.83
(ii) Trade receivables	12	1,265.45	1,125.96
(iii) Cash and cash equivalents	13	717.83	450.33
(iv) Bank balances other than cash and cash equivalents above	14	152.40	1.53
(v) Loans	15	-	1.41
(vi) Other financial assets	16	214.58	190.48
Other current assets	17	178.27	89.46
<b>Total current assets</b>		<b>4,749.19</b>	<b>2,790.00</b>
<b>TOTAL ASSETS</b>		<b>12,513.07</b>	<b>10,264.09</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
Equity share capital	18	1,692.29	1,675.69
Other equity	19	7,009.93	4,767.74
<b>Total equity</b>		<b>8,702.22</b>	<b>6,443.43</b>
<b>LIABILITIES</b>			
<b>(2) Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	20	-	1,225.14
(ii) Lease liabilities	6	251.53	250.57
Provisions	21	5.90	91.00
Deferred tax liabilities (net)	34	1,227.72	1,237.76
<b>Total non-current liabilities</b>		<b>1,485.15</b>	<b>2,804.47</b>
<b>(3) Current liabilities</b>			
Financial liabilities			
(i) Borrowings	20	1,300.69	-
(ii) Lease liabilities	6	46.17	120.93
(iii) Trade payables	22	-	-
- Total outstanding dues of micro enterprises and small enterprises		1.42	1.82
- Total outstanding dues of creditors other than micro enterprises and small enterprises		260.07	253.47
(iv) Other financial liabilities	23	361.99	310.66
Other current liabilities	24	144.47	170.21
Provisions	25	56.95	35.01
Current tax liabilities (net)	26	153.94	124.09
<b>Total current liabilities</b>		<b>2,325.70</b>	<b>1,016.19</b>
<b>Total liabilities</b>		<b>3,810.85</b>	<b>3,820.66</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,513.07</b>	<b>10,264.09</b>

Significant accounting policies

2

The accompanying notes are an integral part of these consolidated financial statements

As per our Report of even date attached

for and on behalf of Board of Directors of

**for B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 116231 W/W-100024

**KFin Technologies Limited**

CIN: L72400TG2017PLC117649

**Amit Kumar Bajaj**

Partner

Membership No.: 218685

**Vishwanathan M Nair**

Chairman

DIN: 02284165

**Venkata Satya Naga Sreekanth Nadella**

Managing Director &

Chief Executive Officer

DIN: 08659728

**Vivek Narayan Mathur**

Chief Financial Officer

Membership no.:

A089454

**Alpana Uttam Kundu**

Company Secretary

Membership no.:

F10191

Place: Mumbai

Date: 05 May 2023

# Consolidated Statement of Profit and Loss

(All amounts are in ₹ millions, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Income</b>			
I. Revenue from operations	27	7,200.27	6,395.07
II. Other income	28	174.94	60.57
III. <b>Total income (I+II)</b>		<b>7,375.21</b>	<b>6,455.64</b>
<b>IV. Expenses</b>			
Employee benefits expense	29	2,894.27	2,324.86
Finance costs	30	106.44	528.83
Depreciation and amortisation expense	31	466.68	370.25
Other expenses	32	1,325.64	1,191.70
<b>Total expenses (IV)</b>		<b>4,793.03</b>	<b>4,415.64</b>
V. <b>Profit before share of profit of associate and tax (III - IV)</b>		<b>2,582.18</b>	<b>2,040.00</b>
VI. Share of profit of associate		-	-
VII. <b>Profit before tax (V-VI)</b>		<b>2,582.18</b>	<b>2,040.00</b>
<b>VIII. Tax expense</b>	34		
Current tax		645.72	583.34
Tax of earlier years		(3.72)	-
Deferred tax		(17.18)	(28.83)
		<b>624.82</b>	<b>554.51</b>
IX. <b>Profit for the year (VII-VIII)</b>		<b>1,957.36</b>	<b>1,485.49</b>
<b>X. Other comprehensive income</b>			
<b>A. Items that will not be reclassified to profit or loss</b>			
Remeasurement of defined benefit plans		(6.64)	(10.76)
Income tax on above	34	1.67	2.71
<b>B. Items that will be subsequently reclassified to profit or loss</b>			
Exchange differences on translation of foreign operations		4.99	2.58
<b>Total other comprehensive income for the year, net of tax (VIII)</b>		<b>0.02</b>	<b>(5.47)</b>
XI. <b>Total comprehensive income for the year (VII+VIII)</b>		<b>1,957.38</b>	<b>1,480.02</b>
<b>XII. Earnings per equity share (face value of ₹ 10 each, fully paid-up), not annualised</b>	33		
Basic		11.66	9.44
Diluted		11.52	9.36

Significant accounting policies

2

The accompanying notes are an integral part of these consolidated financial statements

As per our Report of even date attached

**for B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 116231 W/W-100024

**Amit Kumar Bajaj**

Partner

Membership No.: 218685

Place: Mumbai

Date: 05 May 2023

for and on behalf of Board of Directors of

**KFin Technologies Limited**

CIN: L72400TG2017PLC117649

**Vishwanathan M Nair**

Chairman

DIN: 02284165

Place: Mumbai

Date: 05 May 2023

**Venkata Satya Naga Sreekanth Nadella**

Managing Director & Chief Executive Officer

DIN: 08659728

Place: Mumbai

Date: 05 May 2023

**Vivek Narayan Mathur**

Chief Financial Officer

Membership no.: A089454

Place: Mumbai

Date: 05 May 2023

**Alpana Uttam Kundu**

Company Secretary

Membership no.: F10191

Place: Mumbai

Date: 05 May 2023

# Consolidated Statement of changes in equity

As at March 31, 2023

(All amounts are in ₹ millions, unless otherwise stated)

## Equity share capital and other equity

Particulars	Equity share capital	Share application money	Share allotment	Securities premium	Statutory reserve	Capital reserve	Other equity		Retained earnings	General reserve	Share based payment reserve	Foreign currency translation reserve	Total other equity
							Capital redemption reserve	Debt redemption reserve					
<b>(i) For the year ended 31 March 2022</b>													
Opening Balance as at 1 April 2021	1,508.44	-	-	2,282.43	3.68	0.10	149.88	75.00	(585.17)	-	28.97	0.72	1,955.61
Issue of share capital during the year	167.25	-	-	2,932.78	-	-	-	-	-	-	-	-	2,932.78
Share issue expenses	-	-	-	(209.28)	-	-	-	-	-	-	-	-	(209.28)
Share based payments (Refer Note 45)	-	-	-	-	-	-	-	-	-	-	91.55	-	91.55
Transfer to general reserve on repayment of non-convertible debentures	-	-	-	-	-	-	-	(75.00)	-	75.00	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	1,485.49	-	-	-	1,485.49
Exercise of stock options	-	-	-	0.01	-	-	-	-	-	(0.01)	-	-	-
Extinguishment of rights under shareholders' agreement (Refer Note 18)	-	-	-	-	-	-	-	-	(1,482.94)	-	-	-	(1,482.94)
Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	-	-	-	-	(8.05)	-	-	-	(8.05)
Foreign currency translation reserve	-	-	-	-	-	-	-	-	-	-	-	2.58	2.58
<b>Balance as at 31 March 2022</b>	<b>1,675.69</b>	<b>-</b>	<b>-</b>	<b>5,005.94</b>	<b>3.68</b>	<b>0.10</b>	<b>149.88</b>	<b>-</b>	<b>(590.67)</b>	<b>75.00</b>	<b>120.51</b>	<b>3.30</b>	<b>4,767.74</b>
<b>(ii) For the year ended 31 March 2023</b>													
Opening Balance as at 1 April 2022	1,675.69	-	-	5,005.94	3.68	0.10	149.88	-	(590.67)	75.00	120.51	3.30	4,767.74
Profit for the year	-	-	-	-	-	-	-	-	1,957.36	-	-	-	1,957.36
Exercise of employee stock options (Refer Note 45)	16.60	6.80	-	-	-	-	-	-	-	-	-	-	6.80
Premium received on exercise of employee stock options	-	-	-	189.06	-	-	-	-	-	-	-	-	189.06
Share based payments (Refer Note 45)	-	-	-	-	-	-	-	-	-	-	88.95	-	88.95
Transferred to securities premium on exercise of stock options	-	-	-	69.73	-	-	-	-	-	-	(69.73)	-	-
Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	-	-	-	-	(4.97)	-	-	-	(4.97)
Foreign currency translation reserve	-	-	-	-	-	-	-	-	-	-	-	4.99	4.99
<b>Balance as at 31 March 2023</b>	<b>1,692.29</b>	<b>6.80</b>	<b>5,264.73</b>	<b>3.68</b>	<b>0.10</b>	<b>149.88</b>	<b>-</b>	<b>1,361.72</b>	<b>75.00</b>	<b>139.73</b>	<b>8.29</b>	<b>7,009.93</b>	

The accompanying notes are an integral part of these consolidated financial statements

As per our Report of even date attached for and on behalf of Board of Directors of

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

**KFin Technologies Limited**  
CIN: L72400TG2017PLC117649

**Amit Kumar Bajaj**  
Partner  
Membership No.: 218685

**Vishwanathan M Nair**  
Chairman  
DIN: 02284165

**Venkata Satya Naga Sreekanth Nadella**  
Managing Director & Chief Executive Officer  
DIN: 08659728

**Vivek Narayan Mathur**  
Chief Financial Officer  
Membership no.: A089454

**Alpana Uttam Kundu**  
Company Secretary  
Membership no.: F10191

Place: Mumbai  
Date: 05 May 2023

# Consolidated Statement of Cash Flows

(All amounts are in ₹ millions, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A. Cash flows from operating activities</b>		
<b>Net profit before tax</b>	<b>2,582.18</b>	<b>2,040.00</b>
Adjustment for:		
Depreciation and amortisation expense	466.68	370.25
Loss/ (profit) on sale of property, plant and equipment, net	1.04	(1.41)
Interest income	(65.10)	(0.90)
Dividend income from mutual funds	(88.29)	(45.07)
Unwinding of discount on deposits	(3.51)	(2.79)
Liabilities no longer required written back	(0.94)	(5.78)
Income on derecognition of right-of-use asset and lease liabilities	(12.88)	(1.14)
Rent concession income	-	(0.87)
Foreign exchange (gain)/ loss	(2.01)	(0.22)
Interest expense	106.44	528.83
(Reversal)/ charge towards credit loss allowance on trade receivables and other financial assets	(31.29)	57.08
Credit impaired trade receivables written-off	15.65	23.79
Deposits written off	1.17	2.05
Share based payment	82.90	91.55
Fair value loss on financial assets measured at FVTPL	-	(7.21)
Loss on sale of investments	-	7.34
<b>Operating profit before working capital changes</b>	<b>3,052.04</b>	<b>3,055.50</b>
<b>Working capital adjustments:</b>		
Increase in trade receivables	(121.84)	(79.01)
Increase in other current financial assets	(19.42)	(71.98)
Decrease in loans	1.41	1.28
Decrease/ (Increase) in other non- current financial assets	6.75	(7.11)
(Increase)/ Decrease in other assets	(81.31)	10.48
Increase/ (Decrease) in trade payables	7.14	(43.82)
Increase in other current financial liabilities	46.44	103.82
(Decrease)/ Increase in other current liabilities	(25.74)	45.75
(Decrease)/ Increase in current provisions	(69.80)	8.23
<b>Cash generated from operations</b>	<b>2,795.67</b>	<b>3,023.14</b>
Income taxes paid, net of refund received	(561.95)	(496.77)
<b>Net cash generated from operating activities (A)</b>	<b>2,233.72</b>	<b>2,526.37</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including capital work-in-progress, capital advances, capital creditors and net-off proceeds from sale of property, plant and equipment)	(230.75)	(204.62)
Purchase of intangible assets (including intangible assets under development)	(462.78)	(476.20)
Investment in associate	(65.00)	-
Fixed deposits (placed)/ redeemed with banks	(148.77)	1.87
Investments in mutual funds, net	(1,289.83)	(272.55)
Acquisition of subsidiary, net of cash acquired	-	(240.93)
Investments in equity and preference shares of other companies	-	(51.35)
Proceeds from sale of investments in equity and preference shares of other companies	-	44.00
Interest income	65.10	0.90
Dividend income from mutual funds	88.29	45.07
<b>Net cash used in investing activities (B)</b>	<b>(2,043.74)</b>	<b>(1,153.81)</b>
<b>C. Cash flows from financing activities</b>		
Payment of lease liabilities	(139.93)	(132.79)
Repayment of non-convertible debentures	-	(3,520.00)
Interest paid on non-convertible debentures	-	(392.23)
Expenses towards issue of shares	-	(209.27)
Proceeds from issue of equity shares	-	3,100.02
Proceeds from exercise of employee stock options	212.46	-
Issue of redeemable preference shares repayable at premium	-	0.20
<b>Net cash generated/ (used) in financing activities (C)</b>	<b>72.53</b>	<b>(1,154.07)</b>
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>	<b>262.51</b>	<b>218.49</b>
Cash and cash equivalents at the beginning of the year	450.33	229.26
Foreign exchange effect on cash and cash equivalents	4.99	2.58
<b>Cash and cash equivalents at the end of the period</b>	<b>717.83</b>	<b>450.33</b>
<b>E. Reconciliation of cash and cash equivalents with the Consolidated balance sheet (Refer Note 13)</b>		
Cash on hand	0.12	0.14
Balance with banks:		
(i) in current accounts	717.71	450.19
	<b>717.83</b>	<b>450.33</b>

# Consolidated Statement of Cash Flows (continued)

(All amounts are in ₹ millions, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>F. Reconciliation of liabilities arising from financing activities</b>		
<b>Opening balance</b>		
Non-convertible debentures (secured)	-	34,588.97
Interest accrued and not due on non-convertible debentures	-	24.42
Lease liabilities	371.50	363.88
Redeemable preference share	0.20	-
Premium on redeemable preference shares	1,224.94	-
<b>Cash movement</b>		
Non-convertible debentures (secured)	-	(35,200.00)
Interest accrued and not due on non-convertible debentures	-	(392.31)
Lease liabilities	(139.93)	(132.79)
Redeemable preference share	-	0.20
Premium on redeemable preference shares	-	-
<b>Non-cash movement</b>		
Non-convertible debentures (secured)	-	611.03
Interest accrued and not due on non-convertible debentures	-	3,897.93
Lease liabilities	66.13	140.41
Redeemable preference share	-	-
Premium on redeemable preference shares	75.55	1,224.94
<b>Closing balance</b>		
Non-convertible debentures (secured)	-	-
Interest accrued and not due on non-convertible debentures	-	3,530.04
Lease liabilities	297.70	371.50
Redeemable preference share	0.20	0.20
Premium on redeemable preference shares	1,300.49	1,224.94

## Non-cash movement represents:

- with respect to non-convertible debentures (secured), amortisation of processing fees paid as per effective interest rate.
- with respect to interest accrued and not due on non-convertible debentures, amortisation of processing fees paid as per effective interest rate.
- with respect to redeemable preference shares, premium payable on redemption. Refer Note 20 for details.
- with respect to lease liabilities, additions of new leases, rent concession received, deletions of existing leases and accrual of interest on lease liabilities. Refer Note 6(C) for details.

Notes: 1) The above Statement of Cash Flow has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Cash Flow Statements".

Cash comprises cash on hand, Current Accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

As per our Report of even date attached

### for B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 116231 W/W-100024

### Amit Kumar Bajaj

Partner

Membership No.: 218685

Place: Mumbai

Date: 05 May 2023

for and on behalf of Board of Directors of

### KFin Technologies Limited

CIN: L72400TG2017PLC117649

### Vishwanathan M Nair

Chairman

DIN: 02284165

Place: Mumbai

Date: 05 May 2023

### Venkata Satya Naga Sreekanth Nadella

Managing Director & Chief Executive Officer

DIN: 08659728

Place: Mumbai

Date: 05 May 2023

### Vivek Narayan Mathur

Chief Financial Officer

Membership no.: A089454

Place: Mumbai

Date: 05 May 2023

### Alpana Uttam Kundu

Company Secretary

Membership no.: F10191

Place: Mumbai

Date: 05 May 2023

# Notes to Consolidated Financial Statements

## 1. Reporting entity

KFin Technologies Limited ("the Parent Company") (formerly known as KFin Technologies Private Limited) was incorporated on 08 June 2017 at Hyderabad, India. The Holding Company's registered office is at Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad, "Rangareddy" Telangana 500032. The Holding Company together with its subsidiaries as set out below are collectively referred to as "the Group". The Group 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.

The Company was converted into a public limited company under the Companies Act, 2013 on 24 February 2022 and consequently, the name was changed to "KFin Technologies Limited"

## 2. Significant Accounting Policies

### A. Basis of preparation and measurement of Consolidated Financial Statements

The Consolidated Balance Sheet of the Group as at 31 March 2023, the related Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, and the Consolidated Statement of Cash Flows for the year ended 31 March 2023 and the Significant accounting policies and Other Financial Information (together referred to as 'Consolidated Financial Statements') have been prepared in accordance with the Indian Accounting Standards (Ind

AS) notified under Section 133 of the Companies Act 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rule, 2016 and other relevant provisions of the Act.

The Consolidated Financial Statements are prepared by adopting uniform accounting policies between the group companies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's standalone financial statements.

The Consolidated Financial statement have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the Consolidated Financial Statements.

The Consolidated Financial Statements has been compiled by the Group from:

- Audited Consolidated financial statements of the Group as at and for the year ended 31 March 2023 prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India;
- there were no changes in accounting policies during the year of these financial statements
- there were no material amounts which have been adjusted for in arriving at profit of the respective periods;

### Subsidiaries considered in the Consolidated Financial Statements:

Entity	Country of incorporation	As at 31 March 2023	As at 31 March 2022
KFin Technologies (Bahrain) W.L.L. (formerly known as Karvy Fintech (Bahrain) W.L.L)	Bahrain	100%	100%
KFin Technologies (Malaysia) SDN.BHD (formerly known as Karvy Fintech (Malaysia) SDN.BHD)	Malaysia	100%	100%
KFin Services Private Limited (w.e.f. 6 January 2020)	India	100%	100%
Hexagram Fintech Private Limited (w.e.f 7 February 2022)	India	100%	NA
Hexagram Fintech SDN BHD (Formerly known as Hexagoan Global IT Solution SDN BHD) (w.e.f 7 February 2022) – wholly owned subsidiary of Hexagram Fintech Private Limited	Malaysia	100%	NA
Kfin Global Technologies (IFSC) Limited (w.e.f 28 June 2022)	India	100%	NA

# Notes to Consolidated Financial Statements

## 2. Significant Accounting Policies (continued)

### A. Basis of preparation and measurement of Consolidated Financial Statements (continued)

This Consolidated Financial Statements was authorised for issue by the Board of Directors on 05 May 2023.

#### Functional and presentation currency

These Consolidated Financial Statements are presented in Indian Rupees ('₹'), which is the Holding Company's functional currency. All amounts have been rounded to the nearest millions, unless otherwise stated.

The Consolidated 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

#### 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 Group.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated 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).

The Group's CFO determines the appropriate valuation techniques and inputs for fair value measurements. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. Any change in the fair value of each asset and liability is also compared with relevant external sources to determine whether the change is reasonable.

For changes that have occurred between levels in the hierarchy during the year the Company re-assesses categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### Use of judgments and estimates

In preparing these Consolidated Financial Statements, management has made judgments, estimates and assumptions that affect the application of the group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the Consolidated 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.

Changes in estimates are reflected in the financial estimates in the period in which changes are made and if material, their effects are disclosed in the notes to the Consolidated Financial Statements.

# Notes to Consolidated Financial Statements

## 2. Significant Accounting Policies (continued)

### A. Basis of preparation and measurement of Consolidated Financial Statements (continued)

#### a) Judgements

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

- Note R - 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.
- Note D - Lease classification and identification of lease component

#### b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the Consolidated Financial Statements for 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).

##### • 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 Group 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 Group 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 S)

##### • 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 Group's assets are estimated by Management at the time the asset is acquired and reviewed during each financial year. (Refer note E, F and H)

##### • 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 R)

##### • 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 Q).

# Notes to Consolidated Financial Statements

## 2. Significant Accounting Policies (continued)

### A. Basis of preparation and measurement of Consolidated Financial Statements (continued)

#### b) Assumptions and estimation uncertainties (Continued)

- 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 judgment 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 R).

- 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 Group 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)

#### B) Principles of Consolidation

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

- Exposure, or rights, to variable returns from its involvement with the investee, and

- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights;
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of an entity begins when the Group obtains control over that entity and ceases when the Group loses control over the entity. Assets, liabilities, income and expenses of an entity acquired or disposed of during the year are included in these Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The group combines the financial information of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

# Notes to Consolidated Financial Statements

## 2. Significant Accounting Policies (continued)

### B) Principles of Consolidation (continued)

Non-controlling interests, if any in the results are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet, respectively.

The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the Parent Company for its separate financial statements.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial information in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e. year ended on 31 March 2023.

### C) Classification of assets and liabilities as current and non-current

The Group 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

### Operating Cycle

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

### D) Leases

A new lease standard i.e., Ind AS 116 has been notified to be effective w.e.f. 1 April 2019 which provide guidelines for the accounting of the lease contracts entered in the capacity of a lessee and a lessor. For the purpose of preparation of Consolidated Financial Statements, the Management has evaluated the impact of change in accounting policies on adoption of Ind AS 116 for the year ended 31 March 2019. Hence in these Consolidated Financial Statements, Ind AS 116 has been adopted with effect from 1 April 2018 following modified retrospective method (i.e. on 1 April 2018 the Group has measured the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at initial application date and right-of-use assets are measured at their carrying amount as if Ind AS 116 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application).

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that

# Notes to Consolidated Financial Statements

## 2. Significant Accounting Policies (continued)

### D) Leases (continued)

option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The Group used the following practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17:

- Applied a single discount rate to a portfolio of leases with similar characteristics;
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term and leases of low value;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application;
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease

#### i. As a lessee

As a lessee, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet. The Group decided to apply recognition exemptions to short-term leases.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in Ind AS 116. At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee,

the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate at lease commencement date. Generally, the Group uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

# Notes to Consolidated Financial Statements

## 2. Significant Accounting Policies (continued)

### D) Leases (continued)

#### i. As a lessee (continued)

Lease payments included in the measurement of the lease liability comprise:

- a. Fixed payments including in-substance fixed payments
- b. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- c. Amounts expected to be payable under a residual value guarantee

#### Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets.

The Group presents right-of-use assets as a separate line in the balance sheet and lease liabilities in 'Financial liabilities' in the Balance sheet.

#### ii. As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption

described above, then it classifies the sub-lease as an operating lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

### E) Property, plant and equipment Recognition and measurement

#### Property, plant and equipment

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 a separate item (major components) of property, plant and equipment. Any gain or loss on disposal of property, plant and equipment is recognised in Consolidated Statement of Profit and loss.

#### Capital work-in-progress

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as other non-current assets.

#### Subsequent Measurement

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

#### Depreciation

The Group provides depreciation on Property, Plant and Equipment, other than vehicles and leasehold

# Notes to Consolidated Financial Statements

## 2. Significant Accounting Policies (continued)

### E) Property, plant and equipment (continued)

#### Capital work-in-progress (continued)

improvements based on the useful life as determined by the Management.

The depreciation is provided under straight-line method.

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 (up to) 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	5-15
Electrical installations	10
Furniture and fixtures	10
Computers	3
Office equipment	5-10
Vehicles	5

### F) Intangible assets

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

Intangible assets are amortised in the Consolidated 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 is amortised on straight line basis

Asset category	Estimated useful life (years)
Computer software	3-10
Customer relationships	5-10
Trademarks	5
Non-compete agreement	5

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure are recognised in the Consolidated statement of profit and loss as incurred.

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.

### G) Intangible assets under development

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of software purchased, direct salary and overhead costs that are directly attributable to preparing the asset for its intended use.

These assets are not amortised, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment is recognised as an expense in the consolidated statement of profit and loss.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

# Notes to Consolidated Financial Statements

## 2. Significant Accounting Policies (continued)

### H) Goodwill

Goodwill on acquisitions of businesses is reported separately from intangible assets.

- i) 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 upto 31 March 2021 (Refer Note 43 and Note 44(B)). Further this Goodwill is also tested for impairment at each reporting period and is carried at cost less accumulated amortization and accumulated impairment losses, if any.

The Group has obtained approval from its Board, shareholders, creditors, National Company Law Tribunal ("NCLT") or any other appropriate authority to modify the accounting treatment for Goodwill mentioned (i) above with effect from 1 April 2021. As per the scheme filed and NCLT order received the treatment of Goodwill with effect from 1 April 2021 shall be done as per applicable accounting standards and / or other applicable accounting policy. Accordingly, as per Ind AS 36 – Impairment of Assets, the Group is required to periodically test the impairment on Goodwill.

Goodwill generated through Business Transfer Agreement (Refer Note 43 and Note 44(B)) is tested for impairment annually, and is carried at cost less accumulated impairment, if any.

### I) Impairment of non-financial assets

At each reporting date, the Group 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 Cash generating unit (CGU).

The recoverable amount of a 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 Group 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 Group 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 Consolidated Statement of Profit and Loss.

#### Group Companies

On consolidation, the assets and liabilities of foreign operations are translated into Indian rupees at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange

# Notes to Consolidated Financial Statements

## 2. Significant Accounting Policies (continued)

### J) Foreign currency transactions (continued)

rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in Consolidated Statement of Profit or Loss.

### 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 Group 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 Holding Group makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution scheme. KFin Technologies (Bahrain) W.L.L. (formerly known as Karvy Fintech (Bahrain) W.L.L.) contributes to the pension scheme for Bahraini nationals administered by the General Organisation for Social Insurance in the Kingdom of Bahrain. The Group's contribution is recognised as an expense in the Consolidated Statement of Profit and Loss during the period in which the employee renders the related service.

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.

#### 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 Consolidated 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 Group, 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 the Consolidated Statement of 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 Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The expatriate employees of the Subsidiary are paid leaving indemnity in accordance with the provisions of the Bahrain Labour Law for private sector 2012, based on length of service and final salary. Provision for this, which is unfunded, and which represent a defined benefit plan - Employee contribution has been made by calculating the notional liability had all employees left at the reporting date. The provision is classified as a non-current liability in the statement of financial position.

# Notes to Consolidated Financial Statements

## 2. Significant Accounting Policies (continued)

### 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. 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 Consolidated Statement of Profit and Loss in the period in which they occur.

### L) Revenue

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration, if any) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various discounts and claims accepted by the Company as part of the contract. 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 recognised 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 Group 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 recognised 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 or on the basis of number of enumerations processed.

Recoverable expenses represent expenses incurred to related 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 Group 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.

### M) Other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included in other income in the Consolidated Statement of Profit and Loss.

Dividends are recognised in Consolidated 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 Group, and the amount of the dividend can be measured reliably.

### N) Borrowings and related cost

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

# Notes to Consolidated Financial Statements

## 2. Significant Accounting Policies (continued)

### O) Contract balances

**Contract assets:** The Group classifies its right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset where the right to consideration is unconditional upon passage of time.

**Contract liabilities:** A contract liability (which we referred to as Unearned Revenue) is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is received.

### P) 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 Group 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.

### Q) 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, considering 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 Consolidated 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 Group 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 Group recognises any impairment loss on the assets associated with that contract.

### R) Financial instruments

#### Business model assessment

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 Group initially recognises trade receivables and debt securities issued on the date on which they are originated. The Group recognises the other financial assets on the trade date, which is the date on which the Group becomes a party to the contractual provision of the instrument.

All financial assets are recognised initially at fair value, plus in the case of financial assets are recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial

# Notes to Consolidated Financial Statements

## 2. Significant Accounting Policies (continued)

### R) Financial instruments (continued)

#### Financial assets (continued)

asset. However, trade receivables which do not contain a significant financial component are measured at transaction value.

#### Classifications and subsequent measurement

##### Classifications

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

#### Business model assessment

The Group 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 Group 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 considering 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 Consolidated Statement of 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.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognized in Consolidated Statement of Profit or Loss.

#### Reclassification of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group 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 Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

# Notes to Consolidated Financial Statements

## 2. Significant Accounting Policies (continued)

### R) Financial instruments (continued)

#### Derecognition of financial assets (continued)

- The rights to receive cash flows from the asset have expired, or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group 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 Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Group 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 Group 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 Group 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 Group considers reasonable and or effort. This includes both quantitative and qualitative information and analysis, based on the Group'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 Group's historical experience and informed credit assessment and including forward-looking information.

#### 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 Group in accordance with the contract and the cash flows that the Group expects to receive).

#### Presentation of allowance for expected credit losses in the Consolidated 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 Group 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 Group's procedures for recovery of amounts due.

# Notes to Consolidated Financial Statements

## 2. Significant Accounting Policies (continued)

### R) Financial instruments (continued)

#### 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:

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 Consolidated Statement of Profit or 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 Consolidated Statement of Profit or Loss.

#### Financial liabilities

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 Group may transfer the cumulative gain or

loss within equity. All other changes in fair value of such liability are recognised in the Consolidated Statement of Profit or Loss.

#### Derecognition of financial liabilities

Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. Group also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognized in the Consolidated Statement of Profit or Loss.

#### 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').

## S) 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.

# Notes to Consolidated Financial Statements

## 2. Significant Accounting Policies (continued)

### S) Income taxes (continued)

#### 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.

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 Group 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 Group 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.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

### T) 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 Group have been identified as being the Chief operating decision maker by the management of the Group.

### U) 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.

### V) 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 Group are segregated.

### W) 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.

# Notes to Consolidated Financial Statements

## 2. Significant Accounting Policies (continued)

### X) 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 Group. 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. Transaction cost that the Group incurs in connection with business combination such as finders fees, legal fees, due diligence and other professional fees are charged to equity.

Goodwill is measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

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.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit

may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

### Y) Employee Stock option plan (ESOP)

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in 'Share based payment' reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

### Z) Non-current Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. A sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification. Non-current assets held for sale are neither depreciated nor amortised. Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less cost of sale and are presented separately in the Consolidated Balance Sheet.

### AA) Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

# Notes to Consolidated Financial Statements

## 2. Significant Accounting Policies (continued)

### (a) Ind AS 1 – Presentation of Financial Statements: -

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

### (b) Ind AS 12 – Income Taxes: -

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements

### (c) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: -

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 3. Property, plant and equipment

Particulars	Leasehold improvements	Computers and other related assets	Furniture and fixtures	Office equipment	Plant and machinery	Vehicles	Total	Capital work-in-progress
<b>Gross carrying amount</b>								
Balance as at 1 April 2021	177.96	314.74	21.40	42.51	7.14	7.81	571.56	-
Additions	0.33	180.64	0.19	6.91	-	7.95	196.02	6.33
Disposals	-	(6.48)	-	(0.43)	-	(0.32)	(7.23)	-
Exchange differences on translation of foreign operations	0.12	-	0.02	0.38	-	-	0.52	-
<b>Balance as at 31 March 2022</b>	<b>178.41</b>	<b>488.90</b>	<b>21.61</b>	<b>49.37</b>	<b>7.14</b>	<b>15.44</b>	<b>760.87</b>	<b>6.33</b>
Additions	43.74	175.49	1.71	3.83	1.69	9.31	235.77	10.58
Disposals	(3.22)	(12.69)	(2.98)	(7.22)	(0.60)	(4.30)	(31.01)	(16.70)
Exchange differences on translation of foreign operations	0.15	0.01	0.04	0.10	-	-	0.30	-
<b>Balance As at 31 March 2023</b>	<b>219.08</b>	<b>651.71</b>	<b>20.38</b>	<b>46.08</b>	<b>8.23</b>	<b>20.45</b>	<b>965.93</b>	<b>0.21</b>
<b>Accumulated depreciation</b>								
Balance as at 1 April 2021	85.82	163.99	8.23	25.37	1.66	1.24	286.31	-
Depreciation for the year	40.07	90.28	3.48	7.17	0.65	1.98	143.63	-
Disposals	-	(6.40)	-	(0.44)	-	(0.32)	(7.16)	-
Exchange differences on translation of foreign operations	0.12	-	0.02	0.33	-	-	0.47	-
<b>Balance as at 31 March 2022</b>	<b>126.01</b>	<b>247.87</b>	<b>11.73</b>	<b>32.43</b>	<b>2.31</b>	<b>2.90</b>	<b>423.25</b>	<b>-</b>
Depreciation for the year	43.44	115.42	2.99	7.41	0.69	2.97	172.92	-
Disposals	(2.42)	(22.01)	(1.62)	(6.18)	(0.20)	(1.10)	(33.53)	-
Exchange differences on translation of foreign operations	0.43	-	0.04	0.10	-	-	0.57	-
<b>Balance As at 31 March 2023</b>	<b>167.46</b>	<b>341.28</b>	<b>13.14</b>	<b>33.76</b>	<b>2.80</b>	<b>4.77</b>	<b>563.21</b>	<b>-</b>
<b>Carrying amounts (net)</b>								
<b>Balance As at 31 March 2023</b>	<b>51.62</b>	<b>310.43</b>	<b>7.24</b>	<b>12.32</b>	<b>5.43</b>	<b>15.68</b>	<b>402.72</b>	<b>0.21</b>
Balance as at 31 March 2022	52.40	241.03	9.88	16.94	4.83	12.54	337.62	6.33

### Ageing of Capital work in progress:

Particulars	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
<b>As at 31 March 2022</b>					
Projects in progress	6.33	-	-	-	6.33
Projects temporarily suspended	-	-	-	-	-
<b>Balance As at 31 March 2023</b>					
Projects in progress	0.21	-	-	-	0.21
Projects temporarily suspended	-	-	-	-	-

#### Note:

- The Group has not carried out any revaluation of its Property, plant and equipment.
- The Group does not hold any immovable property in its own name.
- There are no capital work-in-progress where completion is overdue or has exceeded its cost compared to its original plan.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 4. Goodwill

Particulars	On Business Combination	Others*	Total
<b>Gross carrying amount</b>			
Balance as at 1 April 2021	6,707.70	125.85	6,833.55
Additions	188.77	-	188.77
<b>Balance as at 31 March 2022</b>	<b>6,896.47</b>	<b>125.85</b>	<b>7,022.32</b>
Additions	-	-	-
<b>Balance As at 31 March 2023</b>	<b>6,896.47</b>	<b>125.85</b>	<b>7,022.32</b>
<b>Accumulated amortisation</b>			
Balance as at 1 April 2021	1,588.01	-	1,588.01
Amortisation for the year	-	-	-
<b>Balance as at 31 March 2022</b>	<b>1,588.01</b>	<b>-</b>	<b>1,588.01</b>
Amortisation for the year	-	-	-
<b>Balance As at 31 March 2023</b>	<b>1,588.01</b>	<b>-</b>	<b>1,588.01</b>
<b>Carrying amounts (net)</b>			
<b>As at 31 March 2023</b>	<b>5,308.46</b>	<b>125.85</b>	<b>5,434.31</b>
As at 31 March 2022	5,308.46	125.85	5,434.31

- (i) The Group has not carried out any revaluation of its Goodwill.  
 (ii) Refer Note 43 for the impairment assessment carried out by the Management  
 (iii) Refer Note 44(B) for details of NCLT order received by the Group in respect of amortisation of goodwill.

\*Represents carrying value of goodwill appearing in the consolidated financial statements of the transferor company as on the date of amalgamation described in Note 44(B)

## 5. Other intangible assets

Particulars	Computer software	Internally developed softwares	Customer relationships	Trademarks	Non-compete agreement	Total	Internally developed intangibles under development*	Intangible assets under development	Total
<b>Gross carrying amount</b>									
Balance as at 1 April 2021	215.07	125.01	218.98	-	-	559.06	16.68	8.43	25.11
Acquired through business combination (Refer Note 44)	12.64	-	13.91	43.49	39.33	109.37	-	-	-
Additions	68.77	82.25	-	-	-	151.02	367.52	49.95	417.47
Disposals/ Capitalisation <sup>^</sup>	-	-	-	-	-	-	(82.24)	(20.90)	(103.14)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>296.48</b>	<b>207.26</b>	<b>232.89</b>	<b>43.49</b>	<b>39.33</b>	<b>819.45</b>	<b>301.96</b>	<b>37.48</b>	<b>339.44</b>
Additions	100.43	307.41	-	-	-	407.84	363.42	30.61	394.03
Disposals/ Capitalisation <sup>^</sup>	(3.21)	-	-	-	-	(3.21)	(307.41)	(28.56)	(335.97)
<b>Balance As at 31 March 2023</b>	<b>393.70</b>	<b>514.67</b>	<b>232.89</b>	<b>43.49</b>	<b>39.33</b>	<b>1,224.08</b>	<b>357.97</b>	<b>39.53</b>	<b>397.50</b>

<sup>^</sup> Disposals with respect to internally developed intangible assets under development represent transfer to internally developed softwares by way of capitalisation.

\*Intangible assets under development represent internally developed softwares for business purposes.

<b>Accumulated amortisation</b>									
Balance as at 1 April 2021	69.92	0.31	60.77	-	-	131.00	-	-	-
Amortisation for the year	42.95	23.08	43.95	1.22	1.14	112.34	-	-	-
<b>Balance as at 31 March 2022</b>	<b>112.87</b>	<b>23.39</b>	<b>104.72</b>	<b>1.22</b>	<b>1.14</b>	<b>243.34</b>	<b>-</b>	<b>-</b>	<b>-</b>
Amortisation for the year	91.21	24.44	45.22	4.54	7.87	173.28	-	-	-
Disposals	(3.21)	-	-	-	-	(3.21)	-	-	-
Exchange differences on translation of foreign operations	(0.09)	-	-	-	-	(0.09)	-	-	-
<b>Balance As at 31 March 2023</b>	<b>203.99</b>	<b>47.83</b>	<b>149.94</b>	<b>5.76</b>	<b>9.01</b>	<b>416.53</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying amounts (net)</b>									
<b>As at 31 March 2023</b>	<b>189.71</b>	<b>466.84</b>	<b>82.95</b>	<b>37.73</b>	<b>30.32</b>	<b>807.55</b>	<b>357.97</b>	<b>39.53</b>	<b>397.50</b>
As at 31 March 2022	183.61	183.87	128.17	42.27	38.19	576.11	301.96	37.48	339.44

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## Ageing of Intangibles under development is as under

Particulars	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
<b>As at 31 March 2023</b>					
Projects in progress	296.75	100.75	-	-	397.50
Projects temporarily suspended	-	-	-	-	-
<b>As at 31 March 2022</b>					
Projects in progress	316.37	23.07	-	-	339.44
Projects temporarily suspended	-	-	-	-	-

## Projects whose completion is overdue/ exceeded the cost compared to its original plan

Particulars	To be completed in				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
<b>As at 31 March 2023</b>					
Project 1	3.60	-	-	-	3.60
Project 2	5.67	-	-	-	5.67
Project 3	14.71	-	-	-	14.71
Project 4	12.30	-	-	-	12.30
Project 5	8.39	-	-	-	8.39
Project 6	3.13	-	-	-	3.13
Project 7	29.62	-	-	-	29.62
Project 8	2.04	-	-	-	2.04
Project 9	1.20	-	-	-	1.20
Project 10	52.44	-	-	-	52.44
Project 11	4.05	-	-	-	4.05
<b>As at 31 March 2022</b>					
None	-	-	-	-	-

### Notes:

- (a) The Group has not carried out any revaluation of its other intangible assets.  
 (b) There are no projects where completion is overdue or exceeded other than those disclosed above.

## 6. Leases

### A. Following are the changes in the carrying values of right of use assets:

Particulars	Category of ROU Assets
	Premises
<b>Balance as at 01 April 2021</b>	<b>522.58</b>
Additions	134.76
Prepayments	-
Deletions	(24.38)
Exchange difference on translation of foreign operations	0.15
<b>Balance as at 31 March 2022</b>	<b>633.11</b>
Additions	124.44
Prepayments	4.29
Deletions	(155.06)
Exchange difference on translation of foreign operations	0.13
<b>Balance as at 31 March 2023</b>	<b>606.91</b>
<b>Accumulated depreciation</b>	
<b>Balance as at 01 April 2021</b>	<b>185.71</b>
Depreciation for the year	114.28
Exchange difference on translation of foreign operations	(0.07)
Disposal	(4.12)

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

Particulars	Category of ROU Assets
	Premises
<b>Balance as at 31 March 2022</b>	<b>295.80</b>
Depreciation for the year	120.48
Exchange difference on translation of foreign operations	(0.27)
Disposal	(77.76)
<b>Balance as at 31 March 2023</b>	<b>338.25</b>
<b>Carrying amounts (net)</b>	
<b>Balance as at 31 March 2023</b>	<b>268.66</b>
<b>Balance as at 31 March 2022</b>	<b>337.31</b>

The aggregate depreciation expense for the year on ROU assets is included under depreciation and amortization expense in the consolidated statement of profit and loss.

## B. The following is the rental expense recorded for short-term leases, variable leases and low value leases.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Short- term lease expense	34.71	30.10
Low value lease expense	-	-
Variable lease expense	-	-
<b>Total</b>	<b>34.71</b>	<b>30.10</b>

## C. Following are the changes in the lease liabilities:

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Opening balance</b>	371.50	363.88
Additions	128.73	134.76
Exchange differences on translation of foreign operations	0.38	0.01
Finance cost accrued during the year	27.19	30.89
Deletions	(90.17)	(24.38)
Payment of lease liabilities	(139.93)	(132.79)
Rent concession	-	(0.87)
<b>Closing balance</b>	<b>297.70</b>	<b>371.50</b>
Non-current lease liabilities	251.53	250.57
Current lease liabilities	46.17	120.93

## D. The following are the amounts recognised in consolidated statement of profit and loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on right-of-use assets	120.48	114.28
Interest expenses	27.19	30.89
	<b>147.67</b>	<b>145.17</b>

## E. The following is the cash outflow on leases:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Payment of lease liabilities	112.74	101.90
Interest on lease liabilities	27.19	30.89
<b>Total cash outflow on leases</b>	<b>139.93</b>	<b>132.79</b>

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## F. The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 March 2023	As at 31 March 2022
Less than 1 year	82.68	145.55
1 to 5 years	238.48	222.00
Over 5 years	59.53	84.78

## 7. Investments accounted for using the equity method

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Investments in equity instruments</b>		
10,41,525 (31 March 2022: Nil) equity shares of Fintech Products and Solutions India Private Limited (FPSIPL) of ₹ 10 each, fully paid-up	65.00	-
	<b>65.00</b>	-
Aggregate amount of un-quoted current investments and value thereof	65.00	-
Aggregate amount of impairment in value of investments	-	-

On 22 March 2023, the Parent Company acquired 25.63% stake in Fintech Products and Solutions India Private Limited (FPSIPL or Investee), a Technology Service Provider (TSP) having a wholly owned subsidiary, FinSec AA Solutions Private Limited, India's first Account Aggregator ('AA'), licensed by Reserve Bank of India (RBI) by investing ₹ 65.00 million. This Investment will help the Company to venture into TSP and AA business as it looks to diversify beyond its current offerings across asset classes in the financial services ecosystem. OneMoney, the brand of FPSIPL's wholly owned subsidiary, is India's first Account Aggregator (AA), with a Non-Banking Financial Corporation ('NBFC') AA license from the RBI. The Company can acquire additional equity share capital of FPSIPL, taking its aggregate shareholding in FPSIPL to 75.01%, subject to the satisfaction of customary closing conditions and receipt of regulatory approvals. The Company's share of the net fair value of investee's identifiable assets and liabilities have been computed by a third party valuer. This exercise resulted in identification of goodwill of ₹ 30.05 million, which is embedded in the value of the investment of ₹ 65.00 million accounted for under the equity method.

## 8. Other non-current financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Rental deposits	47.41	52.88
Electricity deposits	3.96	5.24
Telephone deposits	0.07	0.07
Bank deposits (due to mature after 12 months from balance sheet date)*	1.19	3.29
	<b>52.63</b>	<b>61.48</b>

\* represents fixed deposits amounting to ₹ 0.77 Million (31 March 2022: ₹ 3.28 Million) which is not freely remissible because of contractual restrictions.

There are no debts due to Group 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.

The Group's exposure to credit risks are disclosed in Note 41.

## 9. Non-current tax assets

Particulars	As at 31 March 2023	As at 31 March 2022
Advance income-tax including tax deducted at source*	319.25	369.45
	<b>319.25</b>	<b>369.45</b>

\*Net of provision for tax 31 March 2023: ₹ 443.60 Million (31 March 2022: ₹ 464.30 Million)

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 10. Other non-current assets

Particulars	As at 31 March 2023	As at 31 March 2022
<i>(Unsecured, considered good)</i>		
Capital advances	3.16	0.46
Prepayments	4.08	11.58
	<b>7.24</b>	<b>12.04</b>

## 11. Current investments

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Investments in mutual funds - quoted - at FVTPL</b>		
68,849 (31 March 2022: 65,538) units of DSP Blackrock Liquidity Fund - Regular Plan -Daily Dividend	68.91	65.60
356,087 (31 March 2022: 136,979) units of L&T Liquid Fund - Regular Liquid Daily Dividend Reinvestment Plan	356.42	138.94
384,304 (31 March 2022: 152,643) units of TATA Liquid Fund Regular Plan - Daily Dividend	384.89	152.88
317,270 (31 March 2022: 115,048) units of Kotak Liquid Regular Plan Daily Dividend	387.96	140.68
350,128 (31 March 2022: 122,848) units of HDFC Liquid Fund-Regular Plan Daily Dividend Reinvestment	357.07	125.28
2,754,858 (31 March 2022: 1,472,968) units of ICICI Prudential Liquid Fund - Daily Dividend	275.78	147.46
342,705 (31 March 2022:148,753) units of SBI Liquid Fund - Regular Daily Dividend	389.63	159.99
	<b>2,220.66</b>	<b>930.83</b>
Aggregate amount of quoted current investments and market value thereof	2,220.66	930.83
Aggregate amount of impairment in value of investments	-	-

Note: The Parent Company holds certain shares of its customers as a trustee. The Parent Company is in process of transferring those shares to the relevant account based on the instructions to be received from respective customers.

## 12. Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Break up of security details</b>		
(a) Trade receivables considered good - secured	-	-
(b) Trade receivables considered good - unsecured	1,425.60	1,327.36
(c) Trade receivables which have significant increase in credit risk	-	-
(d) Trade receivables - credit impaired	-	-
<b>Total</b>	<b>1,425.60</b>	<b>1,327.36</b>
Allowance for credit loss	(160.15)	(201.40)
<b>Total trade receivables</b>	<b>1,265.45</b>	<b>1,125.96</b>
<b>Movements in the provision for credit impaired trade receivables are as follows:</b>		
Opening balance	201.40	144.32
Allowance for credit loss	(34.75)	57.08
Less: Allowance utilised during the year'	(6.50)	-
Closing balance	<b>160.15</b>	<b>201.40</b>

Trade receivables are unsecured and are derived from revenue from operations i.e. fee revenue and recoverable expenses revenue. No interest is charged on the outstanding balance, regardless of the age of the balance. The Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection. The Group has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. Management makes specific provision in cases where there are known specific risks of customer default in making the repayments. The provision matrix takes into account historical credit loss experience and adjusted for forward- looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## Ageing of trade receivables as at 31 March 2023 is as under:

Particulars	Outstanding for following period from the due date of receipt							Total
	Unbilled	Not due	Less than 6 Months	6 months - 1 year	1 to 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	113.28	774.74	320.54	54.41	45.14	58.36	59.13	1,425.60
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-

## Ageing of trade receivables as at 31 March 2022 is as under:

Particulars	Outstanding for following period from the due date of receipt							Total
	Unbilled	Not due	Less than 6 Months	6 months - 1 year	1 to 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	78.92	837.78	174.42	86.77	25.93	21.77	101.77	1,327.36
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-

## 13. Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Cash on hand	0.12	0.14
Balance with banks:		
(i) in current accounts*	608.80	424.96
(ii) in Deposit	108.91	25.23
	<b>717.83</b>	<b>450.33</b>

\* Includes stamp duty amount received from customers amounting to ₹ 55.09 Million 31 March 2023 (31 March 2022: ₹ 74.20 Million) for the purpose of onward remittance of the same to the Registration & Stamps Department. (Refer Note 23).

The Group's exposure to credit risk are disclosed in Note 41.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 14. Bank balances other than Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Bank balance in deposit accounts (having original maturity of more than 3 months but less than 12 months from reporting date)*	152.40	1.53
	<b>152.40</b>	<b>1.53</b>

\* Includes fixed deposits amounting to ₹ 71.36 Million 31 March 2023; (31 March 2022: ₹ 1.23 Million) which is not freely remissible because of contractual restrictions.

The Group's exposure to credit risks are disclosed in Note 41

## 15. Loans

Particulars	As at 31 March 2023	As at 31 March 2022
<i>Unsecured, considered good</i>		
Loans to employees	-	1.41
	-	<b>1.41</b>
<b>Break up of security details</b>		
(a) Loans considered good - Secured	-	-
(b) Loans considered good - Unsecured	-	1.41
(c) Loans which have significant increase in Credit Risk	-	-
(d) Loans - credit impaired	-	-
<b>Total current loans</b>	-	<b>1.41</b>

The Group's exposure to credit risk are disclosed in Note 41.

There are no debts due to Group 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.

## 16. Other current financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
<i>Unsecured, Considered good</i>		
Rental deposits	3.24	6.68
Stamp duty receivables	131.72	94.61
Other receivables	20.83	1.73
IPO related expenses (Refer Note 47)	11.99	84.72
Others	32.68	2.74
	<b>214.58</b>	<b>190.48</b>
<i>Unsecured, Considered doubtful</i>		
Other receivables	9.07	5.61
	<b>9.07</b>	<b>5.61</b>
Less: Allowance for credit loss		
Other receivables	(9.07)	(5.61)
	<b>(9.07)</b>	<b>(5.61)</b>
	<b>214.58</b>	<b>190.48</b>
<b>Movements in allowance for credit loss of other current financial assets are as follows:</b>		
Opening balance	5.61	5.61
Allowance for credit loss created during the year	3.46	-
Closing balance	<b>9.07</b>	<b>5.61</b>

The Group's exposure to credit risks are disclosed in Note 41.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 17. Other current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Advances to vendors for supply of goods/ services	22.88	23.91
Balance with government authorities	1.79	2.24
Prepayment	144.56	62.46
Advances to employees	4.12	0.85
Others	4.92	-
	<b>178.27</b>	<b>89.46</b>

## 18. Share capital

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Authorised</b>		
(a) 175,980,000 (31 March 2022: 175,980,000) equity shares of ₹ 10 each	1,759.80	1,759.80
(b) 1,000 (31 March 2022: 1,000) non-convertible Redeemable Preference Shares (RPS) of ₹ 200 each	0.20	0.20
	<b>1,760.00</b>	<b>1,760.00</b>
<b>Issued, subscribed and paid-up</b>		
(a) 169,228,699 (31 March 2022: 167,568,883) equity shares of ₹ 10 each, fully paid-up	1,692.29	1,675.69
(b) 1,000 (31 March 2022: 1,000) RPS of ₹ 200 each (Refer Note 20(ii))	-	-
<b>Total</b>	<b>1,692.29</b>	<b>1,675.69</b>

### a. Terms and rights attached to equity shares

The Parent Company has a single class of equity shares having a par value of ₹ 10 per equity share. Accordingly, all equity shares rank equally with regard to dividends and in the Parent 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 Parent Company, the holders of equity shares will be entitled to receive the residual assets of the Parent Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held. Each holder of equity shares is entitled to one vote per share.

Under the shareholders agreement dated 3 August 2017 executed between the Parent Company and its shareholders, and as amended subsequently ("SHA 2017"), one of the shareholders of the Parent Company had been granted a right to subscribe to additional equity shares of the Parent Company upon fulfillment of various performance related and other milestones as defined in the SHA 2017. During the year ended 31 March 2022, the Parent Company and its shareholders have entered into an agreement to terminate the SHA 2017 ("Termination Agreement") wherein each of the Parties has agreed that, notwithstanding anything contained in the Existing SHA, on and from the Effective Date (as defined in Termination Agreement), the SHA 2017 (including any rights, duties and obligations of the Parties under or incidental to the SHA 2017) shall stand unconditionally and irrevocably terminated and shall cease to have any force or effect without any further action being required from any Party. Also Refer Note 20(i)(b).

### Employee stock options:

The Parent Company has granted certain stock options to their employees. For details of shares reserved for issue under the Employee Stock Options Plan, Refer Note 45.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	No.Of Shares	Amount	No.Of Shares	Amount
<b>Opening balance</b>	167,568,883	1,675.69	150,843,583	1,508.44
Shares issued during the year	-	-	16,725,100	167.25
Shares issued during the year under Employee Stock Option Plan ('ESOP') (Refer Note 45)	1,659,816	16.60	200	0.00
Shares cancelled during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>169,228,699</b>	<b>1,692.29</b>	<b>167,568,883</b>	<b>1,675.69</b>

## c. Details of shares held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate :

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Percentage	No. of shares	Percentage
<b>Equity shares of ₹ 10 each fully paid up, held by:</b>				
General Atlantic Singapore Fund Pte Ltd (Holding Company - Upto 28 December 2022)	-	-	125,580,400	74.94%
General Atlantic Singapore KFT Pte Ltd (Subsidiary of Holding Company)	-	-	1,608,503	0.96%
<b>Total</b>	<b>-</b>	<b>-</b>	<b>127,188,903</b>	<b>75.90%</b>

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Percentage of total shares	No. of shares	Percentage of total shares
<b>Equity shares of ₹ 10 each fully paid up, held by:</b>				
General Atlantic Singapore Fund Pte Ltd	82,026,100	48.47%	125,580,400	74.94%
Compar Estates and Agencies Pvt Ltd	18,414,296	10.88%	18,414,296	10.99%
Kotak Mahindra Bank Limited	16,725,100	9.88%	16,725,100	9.98%
<b>Total</b>	<b>117,165,496</b>	<b>69.24%</b>	<b>160,719,796</b>	<b>95.91%</b>

## e. Shares held by promoters at the end of the year:

Promoter name	As at 31 March 2023			As at 31 March 2022		
	No. of shares	Percentage of total shares	Percentage of change during the year	No. of shares	Percentage of total shares	Percentage of change during the year
<b>Equity shares of ₹ 10 each fully paid up, held by:</b>						
General Atlantic Singapore Fund Pte Ltd and its subsidiary	83,634,603	49.42%	-34.89%	127,188,903	75.90%	-8.83%
<b>Total</b>	<b>83,634,603</b>	<b>49.42%</b>		<b>127,188,903</b>	<b>75.90%</b>	

f. During the period of five years immediately preceding the respective balance sheet date, no shares were allotted as fully paid up pursuant to a contract without payment being received in cash other than 110,000,015 equity shares of ₹ 10 each.

g. The Parent Company has not allotted any shares as fully paid by way of bonus shares during the five year period immediately preceding the respective balance sheet date.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

- h.** During the period of previous five years immediately preceding the respective balance sheet date, the Parent Company has bought back 14,987,846 equity shares under Buy-back Plan 2019.
- i.** Enforcement Directorate (ED) vide its order dated 24 September 2021, has instructed the Parent Company not to facilitate the alienation/ sale/ creation of any lien or liability in respect of shares held by certain shareholders. On 11 March 2022, the Parent Company has received Provisional Attachment Order No. 06/2022 dated 8 March 2022 issued by the Deputy Director, Directorate of Enforcement, Hyderabad Zonal Office, whereby the ED has provisionally attached the equity shares held by those shareholders. Additionally, to the Parent Company's knowledge, these shares are subjected to an encumbrance in favour of certain lenders of those shareholders.

The Parent Company has received a letter dated 09 December 2022, from the Office of Additional Director, Directorate of Enforcement, Hyderabad Zonal Office on 13 December 2022 ("Authority", and such letter "ED Letter"). Pursuant to the ED Letter, the Authority has communicated that the attachment made pursuant to the provisional attachment order dated March 08, 2022, issued by the Attachment Order has been confirmed by the Adjudicating Authority (PMLA), New Delhi vide its order dated 1 December 2022.

## 19. Other equity

Particulars	Note	As at 31 March 2023	As at 31 March 2022
<b>Capital reserve</b>	<b>a</b>		
Balance at the beginning of the year		0.10	0.10
Addition during the year		-	-
<b>Balance at the end of the year</b>		<b>0.10</b>	<b>0.10</b>
<b>Share application money pending allotment</b>			
Balance at the beginning of the year		-	-
Addition during the year		6.80	-
<b>Balance at the end of the year</b>		<b>6.80</b>	<b>-</b>
<b>Securities premium</b>	<b>b</b>		
Balance at the beginning of the year		5,005.94	2,282.43
Add: Premium received upon issue of equity share capital		-	2,932.78
Add: Premium received on exercise of employee stock options		189.06	-
Less: Expenses incurred on issue of shares		-	(209.28)
Add: Transfer from share based payment reserves on exercise of stock options		69.73	0.01
<b>Balance at the end of the year</b>		<b>5,264.73</b>	<b>5,005.94</b>
<b>Debenture redemption reserve (DRR)</b>	<b>c</b>		
Balance at the beginning of the year		-	75.00
Add: Transfer to general reserve		-	(75.00)
<b>Balance at the end of the year</b>		<b>-</b>	<b>-</b>
<b>Retained earnings</b>	<b>d</b>		
Balance at the beginning of the year		(590.67)	(585.17)
Add: Profit for the year		1,957.36	1,485.49
Add/ (less): Premium payable on RPS recognised as financial liability (Refer Note 20)		-	(1,482.94)
Add/ (less): Remeasurement of defined benefit obligation for the year		(4.97)	(8.05)
<b>Balance at the end of the year</b>		<b>1,361.72</b>	<b>(590.67)</b>
<b>Statutory reserve</b>	<b>e</b>		
Balance at the beginning of the year		3.68	3.68
Add: Transfer during the year		-	-
<b>Balance at the end of the year</b>		<b>3.68</b>	<b>3.68</b>

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
<b>Foreign currency translation reserve</b>	<b>f</b>		
Balance at the beginning of the year		3.30	0.72
Add: Movement during the year		4.99	2.58
<b>Balance at the end of the year</b>		<b>8.29</b>	<b>3.30</b>
<b>Share based payment reserve</b>	<b>g</b>		
Balance at the beginning of the year		120.51	28.97
Add: Charge for the year, gross		85.42	91.55
Add: Charge for the options issued to the employees of subsidiaries		3.53	-
Less: Transferred to securities premium on exercise of stock options for the year		(69.73)	(0.01)
<b>Balance at the end of the year</b>		<b>139.73</b>	<b>120.51</b>
<b>Capital redemption reserve</b>	<b>h</b>		
Balance at the beginning of the year		149.88	149.88
Add: Movement during the year		-	-
<b>Balance at the end of the year</b>		<b>149.88</b>	<b>149.88</b>
<b>General reserve</b>	<b>i</b>		
Balance at the beginning of the year		75.00	-
Add: Transferred during the year from DRR (Refer Note (c) and (i) below)		-	75.00
<b>Balance at the end of the year</b>		<b>75.00</b>	<b>75.00</b>
<b>Total other equity (a+b+c+d+e+f+g+h+i)</b>		<b>7,009.93</b>	<b>4,767.74</b>

## Nature and purpose of other reserves

### (a) Capital reserve

Reserve created was on cancellation of equity shares pursuant to Scheme of amalgamation approved by National Company Law Tribunal during previous year ended 31 March 2019.

### (b) Securities premium

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 Companies Act, 2013.

### (c) Debenture redemption reserve

According to Section 71 of the Companies Act 2013, where a Group issues debentures, it is required to create a debenture redemption reserve for the redemption of such debentures. The Central Government on 16 August 2019 has amended the Companies (Share Capital and Debentures) Rules 2014 to exclude listed companies having privately placed debentures from the requirement of maintaining DRR. Accordingly, the Group has not transferred any amount to DRR from the year ended 31 March 2020.

On 29 December 2021, the Group has early repaid the debentures and thereby the reserve is no longer required and hence transferred to general reserve.

### (d) Retained earnings

Retained earnings represents the net profits after all distributions and transfers to other reserves. It can be utilised or distributed in accordance with the provisions of the Companies Act, 2013.

### (e) Statutory reserve

Under the provision of the Bahrain Commercial Companies Law, an amount equivalent to 10% of the subsidiary's profit for the year before appropriation is required to be transferred to a non distributable reserve account up to a minimum of 50% of the issued share capital. The Group decided to discontinue such transfer since the reserve has already reached 50% of the paid up share capital.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## (f) Share-based payment reserve

The Parent Company has established various equity-settled share based payments plans for certain categories of employees of the Group. Refer Note 45 for further details on these plans.

## (g) Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

## (h) Capital redemption reserve

Represents reserve created for cancellation of 14,987,846 equity shares bought back under buy back plan in financial year 2019-20 (Refer Note 18).

## (i) General reserve

The general reserve is used time to time to transfer profits/ reserve from retained earning/other component of equity (such as DRR) for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to consolidated statement of profit and loss. (Refer Note 19(c) above).

## 20. Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(a) Current</b>		
RPS, unsecured (Refer Note i(a) and i(b) below)	0.20	-
Premium payable on redemption of RPS (Refer Note i(a) and i(b) below)	1,300.49	-
	<b>1,300.69</b>	-
<b>(b) Non-current</b>		
<b>Borrowings</b>		
RPS, unsecured (Refer Note i(a) and i(b) below)	-	0.20
Premium payable on redemption of RPS (Refer Note i(a) and i(b) below)	-	1,224.94
	-	<b>1,225.14</b>

## (i) Redeemable preference shares (unsecured)

### (a) Terms and rights attached to RPS

On 25 October 2021, the Parent Company has issued 1,000 non-convertible redeemable preference shares having face value of ₹ 200 each share at par on a private placement basis for a maximum period of 20 years from the date of issue. These RPS shall not carry any voting rights. The RPS shall be subordinated to the existing indebtedness of the Parent Company and any future senior debt that the Parent Company may take.

The RPS shall be redeemed by the Parent Company in accordance with the provisions of the Companies Act, 2013 and the Share Subscription Agreement ("SSA") dated 28 May 2021 on or after 25 October 2023 ("the Target Redemption Date") and a redemption premium of ₹ 1,340.00 million shall be payable by the Parent Company subject to satisfaction of the conditions prescribed under the SSA. These RPS carry preferential non-cumulative dividend rate of 0.0001% per annum ("Preferential Dividend"), which shall be applicable until 25 October 2023. The dividend shall be due only when declared by the Board. In the event that the RPS are not redeemed on the Target Redemption Date or within 60 (sixty) days therefrom, in accordance

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

with the SSA, then the dividend rate applicable on the RPS for the period after the Target Redemption Date, shall stand revised to a preferential cumulative dividend rate of 7% per annum, which shall further increase by 200 bps per annum at every anniversary of the Target Redemption Date, subject to a maximum of 13% per annum. The payment of such dividend shall be subject to deduction and withholding of taxes by the Parent Company as per applicable law. The RPS shall be non-participating in the surplus funds and surplus assets. The RPS are transferable subject to the conditions mentioned under SSA.

- (b) Pursuant to a subscription agreement dated 28 May 2021 between the Parent Company and certain individuals, who were minority shareholders of the Parent Company at such time, with regard to termination of rights of such shareholders and Permitted Assignees (other than such shareholders), in terms of the said agreement, who were also shareholders of the Company, under the existing Shareholders Agreement dated 3 August 2017 (as amended pursuant to a supplemental agreement dated 3 April 2020), the Company was obligated for an amount of ₹ 1,640.00 million. The net amount payable after recovering, in terms of the said agreement, an indemnity of ₹ 300.00 million is ₹ 1,340.00 million payable after a period of two years i.e. on or after 25 October 2023. The Company has issued Redeemable Preference Shares carrying maturity amount of ₹ 1,340.00 million (₹ 1,640.00 million offset by ₹ 300.00 million) through agreement dated 28 May 2021. Accordingly, an amount of ₹ 1,482.94 million (amortised cost of ₹ 1,640.00 million) has been debited to other equity representing the obligations to the shareholders with a corresponding credit of ₹ 1,182.94 million and ₹ 300.00 million to non-current borrowings (representing amount payable to the said shareholders under Redeemable Preference Shares net of indemnity of ₹ 300.00 million) and current financial liability (representing amount payable to the past Client (Refer Note 36)), respectively. The current financial liability has been settled by transfer of investments as mentioned in Note 36. The balance of ₹ 157.06 million (₹ 1,340.00 million less ₹ 1,182.94 million) will be charged to consolidated statement of profit and loss over the period of borrowing as interest cost under effective interest rate method as prescribed under Ind AS 109 – Financial Instruments. As at 31 March 2023, out of ₹ 157.06 millions, ₹ 117.58 million is expensed in the consolidated statement of profit and loss as interest cost upto 31 March 23.

The Group's exposure to liquidity risks related to above financial liabilities is disclosed in Note 41.

## 21. Non-current provisions

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Provision for employee benefits</b>		
Gratuity	2.71	67.93
Compensated absences	-	16.47
Provision for indemnity	3.19	6.60
	<b>5.90</b>	<b>91.00</b>

Refer Note 39(ii) for disclosure related to employee benefits.

## 22. Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro and small enterprises *	1.42	1.82
Total outstanding dues of creditors other than micro and small enterprises	260.07	253.47
	<b>261.49</b>	<b>255.29</b>

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## Ageing of trade payables as at 31 March 2023 is as under:

Particulars	Unbilled	Outstanding for following period from the due date of payment				Total
		Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises	-	1.42	-	-	-	1.42
Others than micro enterprises and small enterprises	196.28	60.39	3.19	-	0.21	260.07
Disputed dues - micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues - others than micro enterprises and small enterprises	-	-	-	-	-	-

## Ageing of trade payables as at 31 March 2022 is as under:

Particulars	Unbilled	Outstanding for following period from the due date of payment				Total
		Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro and small Enterprises	-	1.82	-	-	-	1.82
Others than micro and small enterprises	128.63	103.67	20.97	0.03	0.17	253.47
Disputed dues - micro and small enterprises	-	-	-	-	-	-
Disputed dues - others than micro and small enterprises	-	-	-	-	-	-

\*Refer Note 37 for disclosure relating to Micro enterprises and small enterprises

For details regarding trade payables due to related parties, Refer Note 40.

## 23. Other current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposit payable	3.56	3.18
Employee payables	102.91	75.33
Capital creditors		
Total dues of micro and small enterprises *	0.63	0.18
Total dues of creditors other than micro and small enterprises	14.52	10.08
Stamp duty payable	155.41	147.78
Other liabilities^	84.96	74.11
	<b>361.99</b>	<b>310.66</b>

## Ageing of capital creditors as at 31 March 2023 is as under:

Particulars	Not due	Outstanding from the due date of payment				Total
		Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro and small Enterprises	-	0.63	-	-	-	0.63
Others than micro and small enterprises	-	14.52	-	-	-	14.52
Disputed dues - micro and small enterprises	-	-	-	-	-	-
Disputed dues - others than micro and small enterprises	-	-	-	-	-	-

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## Ageing of capital creditors as at 31 March 2022 is as under:

Particulars	Not due	Outstanding from the due date of payment				Total
		Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro and small Enterprises	-	0.18	-	-	-	0.18
Others than micro and small enterprises	-	10.08	-	-	-	10.08
Disputed dues - micro and small enterprises	-	-	-	-	-	-
Disputed dues - others than micro and small enterprises	-	-	-	-	-	-

The Group's exposure to liquidity risks related to above financial liabilities is disclosed in Note 41.

\*Refer Note 37 for disclosure relating to Micro enterprises and small enterprises

## 24. Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Contract liabilities		
- Unearned income*	23.61	14.50
- Advance from customers	15.25	41.17
Statutory dues payable	105.61	114.54
	<b>144.47</b>	<b>170.21</b>

\*Refer Note 46

## 25. Current provisions

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Provision for employee benefits:</b>		
Gratuity	2.18	2.86
Compensated absences	54.77	32.15
	<b>56.95</b>	<b>35.01</b>

Refer Note 39 for disclosure related to provisions for employee benefits.

## 26. Current tax liability (Net)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for taxation*	153.94	124.09
	<b>153.94</b>	<b>124.09</b>

\*Net of advance tax ₹ 2007.46 Million (31 March 2022: ₹ 1,393.59 Million)

## 27. Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of services	6,934.19	6,165.23
	<b>6,934.19</b>	<b>6,165.23</b>
<b>Other operating revenues</b>		
Recoverable expenses	266.08	229.84
	<b>266.08</b>	<b>229.84</b>
<b>Total*</b>	<b>7,200.27</b>	<b>6,395.07</b>

\*Refer Note 46

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 28. Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income from :		
- Bank deposits (calculated using effective interest method on financial assets at amortised cost)	6.29	0.90
- Unwinding of discount on deposits	3.51	2.79
- Income-tax refund	58.81	-
Dividend income from investment in mutual funds	88.29	45.07
Profit on sale of property, plant and equipment (net)	-	1.41
Liabilities no longer required written back	0.94	5.78
Foreign exchange gain (net)	2.01	-
Income on derecognition of ROU assets and lease liability	12.88	1.14
Rent concession	-	0.87
Miscellaneous income	2.21	2.61
	<b>174.94</b>	<b>60.57</b>

## 29. Employee benefits expense\*

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	2,552.17	2,010.80
Contribution to provident and other funds	196.11	172.90
Share based payment expenses (Refer Note 45)	82.90	91.55
Staff welfare expenses	63.09	49.61
	<b>2,894.27</b>	<b>2,324.86</b>

\* The Group has capitalised salary cost of ₹ 275.92 millions (31 March 2022: ₹ 253.74 millions) to the other intangible assets/ intangible under development.

## 30. Finance costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest cost on financial liabilities measured at amortised cost		
- on debentures	-	371.06
- on redeemable preference shares	75.55	42.03
Unwinding of interest on lease liabilities (Refer Note 6)	27.19	30.89
Other interest costs	3.70	84.85
	<b>106.44</b>	<b>528.83</b>

## 31. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment (Refer Note 3)	172.92	143.63
Amortisation on internally generated intangible assets (Refer Note 5)	24.44	-
Amortisation on other intangible assets (Refer Note 5)	148.84	112.34
Depreciation on right of use asset (Refer Note 6)	120.48	114.28
	<b>466.68</b>	<b>370.25</b>

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 32. Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Power and fuel	39.26	36.74
Rent	34.71	30.10
Repairs and maintenance - Others	10.91	7.77
Rates and taxes	6.86	4.42
Legal and professional fee *	502.13	373.72
Consultancy charges <sup>^</sup>	245.95	183.48
Office maintenance	38.45	32.93
Security services	18.78	13.25
Computer and software maintenance	33.32	41.20
Corporate social responsibility**	20.26	6.92
Allowance for credit loss on trade receivables and other financial assets	(31.29)	57.08
Deposits written-off	1.17	2.05
Credit impaired trade receivables written-off	15.65	23.79
Courier, printing and stationery	275.29	231.93
Travelling and conveyance	54.30	30.88
Shared services cost	0.88	0.47
Insurance	10.30	6.99
Staff recruitment	9.06	9.50
Sales promotion and advertisement	18.32	5.46
Depository charges	0.34	0.53
Claims	13.48	87.75
Water charges	2.15	1.40
Loss on sale of investments	-	7.34
Fair value loss on financial assets measured at FVTPL	-	(7.21)
Bank charges	0.76	0.82
Foreign exchange loss (net)	0.50	0.76
Loss on disposal of property, plant and equipment, net	1.04	-
Miscellaneous expenses	3.06	1.63
	<b>1,325.64</b>	<b>1,191.70</b>

<sup>^</sup> The Group has capitalised consultancy charges of ₹ 41.92 millions (31 March 2022: ₹ Nil millions) to the other intangible assets/ intangible under development.

\* **Payment to auditors** (included in legal and professional expenses above)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor		
Statutory audit	3.40	3.00
Limited review	0.60	0.60
Certification	0.50	0.20
Others <sup>^^</sup>	28.70	15.00
Out of pocket expenses	1.93	-
	<b>35.13</b>	<b>18.80</b>

<sup>^^</sup> Others represent audit fee towards IPO related expenses (Refer Note 47)

### \*\* Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Parent Company. The proposed areas for CSR activities, as per the CSR policy of the Parent Company are promotion of education of underprivileged children which are specified in Schedule VII of the Companies Act, 2013.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
a) Gross amount required to be spent by the Parent Company during the year	20.06	6.91
b) Amount approved by the Board to be spent during the year	20.06	6.91
c) Amount spent during the year (in cash) :		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	20.26	6.92
d) (Shortfall) / Excess at the end of the year	NA	NA
e) Total of previous years shortfall	NA	NA
f) Reason for shortfall	Nil	Nil
g) Related party transactions	Nil	Nil

## 33. Earning per share (EPS)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit attributable to equity shareholders (A)	1,957.36	1,485.49
Shares		
Number of shares at the beginning of the year	167,568,883	150,843,583
Add: Equity shares issued during the year	1,659,816	16,725,300
Number of shares at the end of the year	<b>169,228,699</b>	<b>167,568,883</b>
Weighted average number of equity shares for Basic EPS (B)	167,809,897	157,350,374
Effect of potential equity shares on employee stock option outstanding	2,103,791	1,357,625
Weighted average number of equity shares for diluted EPS (C)	169,913,689	158,707,999
Basic EPS - par value of ₹ 10 per share (A/B) (in ₹)	11.66	9.44
Diluted EPS - par value of ₹ 10 per share (A/C) (in ₹)	11.52	9.36

## 34. Income tax

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A. Amounts recognised in the Consolidated statement of profit and loss</b>		
Current tax expense	645.72	583.34
Tax adjustment for earlier years	(3.72)	-
Deferred tax expense	(17.18)	(28.83)
<b>Total tax expense</b>	<b>624.82</b>	<b>554.51</b>
<b>B. Amounts recognised in other comprehensive income</b>		
Tax expense	(1.67)	(2.71)
<b>C. Reconciliation of effective tax rate</b>		
<b>Profit before tax from continuing operations</b>	2,582.18	2,040.00
Enacted statutory tax rate in India	25.168%	25.168%
Tax using the Holding Company's domestic tax rate	649.88	513.43
<b>Tax effect of:</b>		
Permanent differences	0.29	26.72
Non recognition of deferred tax in subsidiaries	(0.34)	2.61
Impact of differential tax rate	(0.86)	2.90
Others	(24.15)	8.85
	<b>624.82</b>	<b>554.51</b>

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## D. Movement in deferred tax balances

Particulars	As at 1 April 2022	Acquisition through business combinations	Recognised in Statement of profit and loss account	Recognised in Other Comprehensive Income	Recognised in Other equity	As at 31 March 2023
Property, plant and equipment, Goodwill and other intangible assets	(1,307.06)	-	(0.46)	-	-	(1,307.52)
Provision for expected credit loss on trade receivables and certain other financial assets	52.10	-	(1.16)	-	-	50.94
Provision for employee benefits and certain other liabilities	40.45	-	(9.24)	1.67	-	32.88
Others	(23.25)	-	28.04	-	-	4.79
<b>Net deferred tax assets</b>	<b>(1,237.76)</b>	<b>-</b>	<b>17.18</b>	<b>1.67</b>	<b>-</b>	<b>(1,218.91)</b>

Particulars	As at 1 April 2021	Acquisition through business combinations	Recognised in Statement of profit and loss account	Recognised in Other Comprehensive Income	Recognised in Other equity	As at 31 March 2022
Property, plant and equipment, Goodwill and other intangible assets	(1,289.06)	(19.72)	1.72	-	-	(1,307.06)
Provision for expected credit loss on trade receivables and certain other financial assets	37.74	-	14.36	-	-	52.10
Provision for employee benefits and certain other liabilities	30.48	-	7.26	2.71	-	40.45
Others	(28.74)	-	5.49	-	-	(23.25)
<b>Net deferred tax assets</b>	<b>(1,249.58)</b>	<b>(19.72)</b>	<b>28.83</b>	<b>2.71</b>	<b>-</b>	<b>(1,237.76)</b>

E. Deferred tax assets are recognised for tax losses carry-forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred tax assets in respect of a subsidiary whose losses amounted to ₹ 9.02 millions (31 March 2022 ₹ 14.59 millions) respectively that can be carried-forward against future taxable income. These losses can be carried-forward as below:

Particulars	As at 31 March 2023	As at 31 March 2022
Losses with expiration (8 years)	9.02	10.36
Losses without expiration date	-	7.68
<b>Amount of Deferred tax that has not been recorded at the year end</b>		
Tax rate	25.168%	25.168%
Deferred tax asset not recorded as at year end	2.27	2.61

## 35. Commitments, contingent liabilities and contingent assets

Particulars	As at 31 March 2023	As at 31 March 2022
<b>A. Commitments</b>		
Capital commitments as on balance sheet date	122.28	68.68
<b>B. Contingent liabilities</b>		
(a) Customer claims not acknowledged as debts	60.79	1,059.72
(b) Income-tax matters*	17.54	2,419.33
(c) Goods and service tax matters	17.31	126.35

\*Amount as at 31 March 2022, primarily includes show cause notice received from the income tax authorities relating to tax treatment of amortisation of goodwill claimed in Assessment Year ('AY') 2020-21 aggregating to ₹ 1,480.15 millions (Tax impact ₹ 232.08 millions). During the year ended 31 March 2023 vide assessment order dated 26 September 2022, the Group has received a favourable order and accordingly the matter is concluded.

Further, the Group periodically receives notices and inquiries from income tax authorities related to Group operations and returns filed.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

- C.** The Group is a party to certain pending cases with regulatory authorities relating to the initial public offerings of its customers 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 consolidated financial statements of the Group.
- D.** The Hon'ble Supreme Court of India ('SC') by their order dated 28 February 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. The Parent Company has started complying with this prospectively from the month of March 2019. In respect of the past period there are significant implementation and interpretative challenges that the Management is facing and is awaiting for clarity to emerge in this regard, pending which, this matter has been disclosed under the contingent liability section in the consolidated financial statements. The impact of the same is not ascertainable.
- E.** In September 2018, the Parent Company has received show-cause notice from Pension Fund Regulatory and Development Authority ('PFRDA') letter alleging the Parent Company for undertaking a regulated activity of Point of Presence (POP) – Service establishment and serviced UTI POP without any approval from PFRDA to act in that capacity. The Parent Company has submitted its responses to PFRDA and all hearings have been attended.

The inquiry proceedings were disposed off without requiring any further action as no contravention is alleged in the show cause notice were found established. The matter is concluded without levy of any penalty.

- F.** The Parent Company has received a letter dated 24 August 2021 from PFRDA seeking compensation amounting to ₹ 26.30 million towards breach of SLA for the delay in dispatch of Permanent Retirement Account Number ('PRAN') kits and Annual Statement of Transactions (SOT) to the subscribers during Covid 19 lockdown. The Group has submitted its response stating the factual position and reasons for the delay and that no loss has been suffered by any subscriber, therefore, there should not be any compensation claim. PFRDA vide its letter dated 23 August 2022 and 7 October 2022 has granted waiver of compensation for breach of SLA and accordingly, the matter has been concluded in favor of the Parent Company without any interest/ penalty.
- G.** On 5 April 2022, the Parent Company has received a show cause notice from SEBI dated 31 March 2022 seeking explanation as to why an inquiry along with penalty should not be initiated under certain provisions of the regulations in relation to RTA inspection held for the period 1 January 2019 to 31 December 2019. The Parent Company has filed a settlement application with SEBI in accordance with Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 without admitting or denying any of the allegations made in the show cause notice and have paid the required settlement charges and received the final settlement order from SEBI on 04 November 2022.
- H.** The Group is party to certain cases relating to customer complaints which are at various levels of resolution and litigations. The Management is confident of resolution of these cases in its favour and does not expect any material impact on the consolidated financial statements Further, the Group is proforma party to certain cases relating to succession matters, partition suits etc. which are at various levels of resolution and litigations. There is no direct involvement of the Group in these matters and accordingly having no material impact on the consolidated financial statements.

The Group is contesting the above mentioned demands and the Management believe that its position will likely be upheld in the appellate process and accordingly no expense has been accrued in the Group financial statements for the demand raised/ show cause notice received as the ultimate outcome of these proceedings will not have a material adverse effect on the consolidated financial statements.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

**36.** The pre-amalgamated Company (Refer Note 44(B)) was the Registrar and Transfer Agent (RTA) of a past Client ("the Client") until 5 April 2021. The Client had a demat account ("Escrow Account") with one of the Depository Participants ("DP") for depositing its shares in escrow for the purposes of its initial public offering. The Company identified in the financial year 2020-21 that 794,489 shares were transferred by the DP (500,000 shares in 2011 (which translated into 1,000,000 shares pursuant to a bonus issue undertaken by the Client in 2017) and 294,489 shares in 2020) from the Escrow Account to the DP's own demat account and to a third party's demat account through an off-market transaction without any authorisation from the Client and without knowledge of the Company. The Board of Directors of the Company after considering legal advice purchased 1,294,489 shares and transferred these shares to the Escrow Account of the Client on a 'good faith and no fault' basis, after reducing the amount payable upon redemption, in future, of the Redeemable Preference Shares (Refer Note 20) issued in October 2021, by ₹ 300.00 million (Refer Note 20(i)(b)). The dividend received on such shares by the Company in the financial year 2021-22 of ₹ 4.08 million was also transferred back to the Client. Intimation letters were sent to the Client and SEBI on 15 November 2021 informing them of transfer of shares to the Client's Escrow Account and refund of dividend to the Client.

Further, the Board of Directors of the Company after considering legal advice, approved payment of up to ₹ 70.00 million (based on an estimation of potential losses that may be suffered by the Client) by the Company to the Client, for the purpose of settlement of any potential claims by the Client (including dividends on such shares for earlier periods). The Company will initiate proceedings against the concerned parties, including certain minority shareholders, for recovery of the amount paid and payable by the Company to the Client in connection with this matter upon completion of final settlement with the Client. Considering the assessment of recoverability, the Company has made a provision of ₹ 72.56 million as at 31 March 2023. Pending the final settlement of terms to be agreed with the Client, the Management has measured the provision at its best estimate.

**37. Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act") based on the information available with the Group**

The Management has identified enterprises which have provided goods and services to the Group and which qualify under the definition of micro and small enterprises, as defined under the MSMED Act. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2023 has been made in the Consolidated financial statements based on information received and available with the Group. Further in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMED Act is not expected to be material. The Group has not received any claim for interest from any supplier under the said MSMED Act.

Particulars	As at 31 March 2023	As at 31 March 2022
Principal amount remaining unpaid to any supplier as at the end of the year.	2.05	2.00
Interest due thereon remaining outstanding as at the end of the year.	-	-
The amount of interest paid by the buyer as per the MSMED Act.	-	-
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 period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act.	-	-
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 as a deductible expenditure under section 23 of the MSMED Act.	-	-

**Note:** The above information has been determined to the extent such parties have been identified on the basis of information available with the Group.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 38. Operating segments:

Sl. No	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>1.</b>	<b>Segment revenue</b>		
	Domestic mutual fund investor solutions	4,972.25	4,600.45
	Issuer solutions	1,132.96	884.14
	International and other investor solutions	657.35	488.05
	Global business services	437.71	422.43
	<b>Total revenue</b>	<b>7,200.27</b>	<b>6,395.07</b>
<b>2.</b>	<b>Segment results</b>		
	Domestic mutual fund investor solutions	2,613.10	2,554.04
	Issuer solutions	485.91	348.12
	International and other investor solutions	(7.67)	49.24
	Global business services	277.23	259.59
	<b>Total</b>	<b>3,368.57</b>	<b>3,210.99</b>
	<b>Unallocated (expenses)/ income</b>		
	(a) Unallocable expenses	(854.89)	(702.73)
	(b) Finance cost	(106.44)	(528.83)
	(c) Other income	174.94	60.57
	<b>Profit before tax</b>	<b>2,582.18</b>	<b>2,040.00</b>
	Tax expense	624.82	554.51
	<b>Net profit after tax</b>	<b>1,957.36</b>	<b>1,485.49</b>
	<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
<b>3.</b>	<b>Segment assets</b>		
	Domestic mutual fund investor solutions	5,848.72	5,499.32
	Issuer solutions	872.92	948.17
	International and other investor solutions	989.41	1,073.47
	Global business services	155.76	172.06
	<b>Total</b>	<b>7,866.81</b>	<b>7,693.02</b>
	Unallocated	4,646.26	2,571.07
	<b>Total</b>	<b>12,513.07</b>	<b>10,264.09</b>
<b>4.</b>	<b>Segment liabilities</b>		
	Domestic mutual fund investor solutions	351.59	395.89
	Issuer solutions	72.83	98.15
	International and other investor solutions	31.35	37.80
	Global business services	17.81	24.77
	<b>Total</b>	<b>473.58</b>	<b>556.61</b>
	Unallocated	3,337.27	3,264.05
	<b>Total</b>	<b>3,810.85</b>	<b>3,820.66</b>

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 38. Operating segments (continued)

### 5. Information about geographical areas

Revenue from operations attributable to external customers	For the year ended 31 March 2023	For the year ended 31 March 2022
Within India	6,429.94	5,647.97
Outside India		
USA	346.76	326.75
Canada	6.16	7.27
Rest of World	417.41	413.08
<b>Total</b>	<b>7,200.27</b>	<b>6,395.07</b>
Non-current assets	As at 31 March 2023	As at 31 March 2022
Within India	7,744.59	7,311.62
Outside India	19.29	162.47
<b>Total</b>	<b>7,763.88</b>	<b>7,474.09</b>

### 6. Information about major customers (from external customers)

The Group derives revenues from the following customers which amount to 10 per cent or more of the entity's revenues in the respective year:

Customer	For the year ended 31 March 2023	For the year ended 31 March 2022
Customer A	963.92	896.69
Customer B	814.73	824.44
Customer C	854.89	825.93
<b>Total</b>	<b>2,633.54</b>	<b>2,547.06</b>

- (a) During the fourth quarter of the year ended 31 March 2023, the Group identified its Managing Director & Chief Executive Officer as the Chief Operating Decision Maker (CODM) of the Group, who is responsible for allocation of resources to respective operating segments and assessing their performance. Consequent to this change in the internal structure, operating segments have been re-aligned and previously reported information on operating segments has been restated. Following are the Group's revised business segments: Domestic Mutual Fund Investor Solutions, Issuer solutions, International and Other Investor Solutions and Global Business Services. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.
- (b) Segment result represents the profit before interest and tax earned by each segment without allocation of central administrative costs and other income.
- (c) As allowed under Ind AS 108- "Operating Segments", the segment information disclosed above is based on the consolidated financial results.

## 39. Employee benefits

The Group contributes to the following post-employment defined benefit/ contribution plans in India.

### (i) Defined contribution plans:

#### Employees' state insurance ('ESI')

The Group makes contribution towards ESI for its employees. The Group's contribution to the ESI is deposited with the government authorities.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 39. Employee benefits (continued)

### Provident fund:

The Group makes contribution towards provident fund for employees. The Group'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 Group is at the rate specified under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

During the year, the Group has recognised following amounts in the consolidated statement of profit and loss (included in Note 29 Employee benefits expense):

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Contribution to provident fund	158.91	133.38
Contribution to employee state insurance	14.43	15.73
Defined Contribution Plan - foreign subsidiaries	2.62	0.45

### (ii) Defined benefit plan:

The Group 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 in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Group 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 Group's financial statements as at balance sheet date:

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Net defined benefit liability</b>	4.89	70.79
Current (Refer Note 25)	2.18	2.86
Non Current (Refer Note 21)	2.71	67.93
<b>Net defined benefit Asset (Grouped under other current assets)</b>		
Current (Refer Note 17)	4.92	-

### 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:

#### (i) Defined benefit obligation

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	151.17	138.90
Add: Transfer on account of Amalgamation	-	3.93
<b>Included in Consolidated statement of profit or loss</b>	<b>151.17</b>	<b>142.83</b>
Expected return on plan assets	-	-
Current service cost	23.66	13.74
Interest cost	10.55	8.47
Past service cost	-	-
	<b>34.21</b>	<b>22.21</b>

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 39. Employee benefits (continued)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Included in Other comprehensive income</b>		
Remeasurement loss/ (gain)		
Actuarial loss/ (gain) arising from	(5.00)	12.22
- demographic assumptions	(0.13)	-
- experience adjustment	8.78	-
- financial assumptions	0.49	-
	<b>4.14</b>	<b>12.22</b>
<b>Others</b>		
Benefits paid	(25.27)	(26.09)
	<b>(25.27)</b>	<b>(26.09)</b>
<b>Balance as at end of the year</b>	<b>164.25</b>	<b>151.17</b>

### (ii) Fair value of plan assets

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	(80.38)	(75.85)
Add: Transfer on account of amalgamation	-	-
<b>Included in Consolidated statement of profit or loss</b>	<b>(80.38)</b>	<b>(75.85)</b>
Expected return on plan assets	-	-
Interest income	(8.56)	(2.75)
	<b>(8.56)</b>	<b>(2.75)</b>
<b>Included in Other comprehensive income</b>		
Remeasurement loss/ (gain)		-
<b>Actuarial loss/ (gain) arising from:</b>		
- financial assumptions	-	-
- demographic assumptions	-	-
- experience adjustment	-	-
- return on plan assets including interest income	2.49	(1.45)
	<b>2.49</b>	<b>(1.45)</b>
<b>Others</b>		
Contributions paid by the employer	(102.59)	(26.43)
Benefits paid	24.76	26.10
	<b>(77.83)</b>	<b>(0.33)</b>
<b>Balance as at end of the year</b>	<b>(164.28)</b>	<b>(80.38)</b>

### (iii) Net defined benefit liability/ (asset)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	70.79	63.05
Add: Transfer on account of amalgamation	-	3.93
<b>Included in Consolidated statement of profit or loss</b>		
Expected return on plan assets	-	-
Current service cost	23.66	13.74
Interest cost	1.99	5.72
	<b>25.65</b>	<b>19.46</b>

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 39. Employee benefits (continued)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Included in Other comprehensive income</b>		
Remeasurement loss/ (gain)		
Actuarial loss/ (gain) arising from:		
- financial assumptions	(5.00)	12.22
- demographic assumptions	(0.13)	-
- experience adjustment	8.78	-
- return on plan assets including interest income	2.98	(1.45)
	<b>6.63</b>	<b>10.77</b>
<b>Others</b>		
Benefits paid	(103.10)	(26.42)
	<b>(103.10)</b>	<b>(26.42)</b>
<b>Balance as at end of the year</b>	<b>(0.03)</b>	<b>70.79</b>

## C. Plan assets

Particulars	As at 31 March 2023	As at 31 March 2022
Investment with Life Insurance Corporation of India	100%	100%

On an annual basis, an asset-liability matching study is done by the Group whereby the Group 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, employee attrition rate and salary growth rate. Financial and demographic valuation assumptions are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate (p.a.)	7.61%	6.80%
Salary increase (p.a.)	4.00%	4.00%
Expected rate of return on plan assets	8.00%	8.00%

### b) Demographic assumptions

Particulars	As at 31 March 2023	As at 31 March 2022
i) Retirement age (years)	58 years	58 years
ii) Mortality table	IALM (2006-08)	IALM (2006-08)
iii) Withdrawal rates (p.a.)	1.00%	1.00%

## 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.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 39. Employee benefits (continued)

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate (1% movement)		
- Increase	(19.08)	(123.89)
- Decrease	11.55	142.71
Future salary growth (1% movement)		
- Increase	12.67	179.50
- Decrease	(20.24)	(154.72)
Mortality rate (1% movement)		
- Increase	(4.77)	2.90
- Decrease	(5.07)	(2.91)
Attrition rate (1% movement)		
- Increase	(0.97)	(97.84)
- Decrease	(9.47)	107.90

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

Particulars	As at 31 March 2023	As at 31 March 2022
Duration of defined benefit payments		
Less than 1 year	13.86	8.79
Between 2 - 5 years	39.23	19.49
Between 6 - 10 years	80.53	40.33
Over 10 years	30.63	82.55
<b>Total</b>	<b>164.25</b>	<b>151.16</b>

Expected contribution to the post employee benefit plan during the next financial year is expected to be 31 March 2023: ₹ 32.00 millions (31 March 2022: ₹ 17.22 millions).

- 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.

**Expected rate of return on plan assets:** This is based on the expectation of the average long-term rate of return expected on investments of the fund during 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 Group provides compensated absences benefits to the employees of the Group 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 utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. During the period ended 31 March 2023, the Group has incurred an expense on compensated absences amounting to ₹ 10.45 millions (31 March 22: 17.76 millions). The Group determines the expense for compensated absences basis the actuarial valuation of the present value of the obligation, using the Projected Unit Credit Method.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 40. Related parties

### A. Names of related party and nature of relationship

#### i. Ultimate holding company :

GASC MGP, LLC, Delaware (Upto 28 December 2022)

#### ii. Holding Company :

General Atlantic Singapore Fund Pte Ltd (Upto 28 December 2022)

#### iii. Wholly owned subsidiaries:

- a) KFin Technologies (Bahrain) W.L.L. (formerly known as Karvy Fintech (Bahrain) W.L.L)
- b) KFin Technologies (Malaysia) SDN.BHD (formerly known as Karvy Fintech (Malaysia) SDN.BHD)
- c) KFin Services Private Limited
- d) Hexagram Fintech Private Limited (w.e.f 7 February 2022)
- e) KFin Global Services Technologies (IFSC) Limited (w.e.f 28 June 2022)

#### iv. Step down subsidiary

- a) Hexagram Fintech SDN. BHD (w.e.f 7 February 2022)

#### v. Enterprise where promoters/ promoter group hold control:

- a) General Atlantic Singapore KFT Pte Ltd

#### vi. Enterprise where promoters/ promoter group hold significant influence:

- a) Ochre & Black Private Limited
- b) Krishna Institute of Medical Sciences Limited (w.e.f 31 December 2019 to 28 June 2021)
- c) Ikonkrishi Institute of Medical Sciences Private Limited (w.e.f 31 December 2019 to 28 June 2021)

#### Vii. Key Management personnel (KMP)

- a) Venkata Satya Sreekanth Nadella, Managing Director & Chief Executive Officer
- b) Kaushik Mazumdar, Independent Director
- c) Sonu Halan Bhasin, Independent Director
- d) Sandeep Achyut Naik, Non-Executive Nominee Director
- e) Vishwanathan Mavila Nair, Non-Executive Director
- f) Shantanu Rastogi, Non-Executive Nominee Director
- g) Prashant Saran, Independent Director
- h) Srinivas Peddada, Non-Executive Nominee Director
- i) Jaideep Hansraj, Non-Executive Nominee Director (w.e.f. 10 November 2021)
- j) Vivek Narayan Mathur, Chief Financial Officer
- k) Alpana Uttam Kundu, Company Secretary

#### viii. Post-employment benefit plan

- a) Kfintech Employees Group Gratuity Assurance scheme

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 40. Related parties (continued)

### B. Transactions with the related parties

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>i) Holding Group</b>		
<b>General Atlantic Singapore Fund Pte Ltd</b>		
Reimbursement of IPO related expenses	592.55	84.72
<b>ii) Enterprise where promoters/ promoter group hold significant influence:</b>		
<b>Ochre &amp; Black Private Limited</b>		
Fee from investor services	-	0.01
<b>iii) Key Management Personnel*</b>		
(a) Short-term employee benefits		
- Remuneration paid	45.71	42.63
- Incentives/ Bonus paid	38.65	14.75
(b) Share-based payment	32.01	11.56
(c) Issue of equity shares (including premium)	89.58	-
(d) Salary advance given	4.70	-
(e) Salary advance repaid	(4.70)	-
(f) Reimbursement of expenses	3.45	-

\* The managerial personnel are covered by the Group's gratuity policy and are eligible for leave encashment along with other employees of the Group. 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 Group as a whole.

### C. Related party balances

Particulars	As at 31 March 2023	As at 31 March 2022
<b>General Atlantic Singapore Fund Pte Ltd</b>		
Reimbursement of IPO related expenses (Refer Note 47)	11.99	84.72

All related party transactions entered during the year were in ordinary course of business and are on arm's length basis.

#### Terms and conditions:

All transactions with those related parties are priced on an arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash within a range of 30-120 days of the transaction date except as disclosed in Note 47 for reimbursement of IPO related expenses. None of the balances are secured.

## 41. 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.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 41. Financial instruments – Fair values and risk management (continued)

As at 31 March 2023	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
<b>Financial assets</b>								
<b>Non-current assets</b>								
Other non-current financial assets	-	-	52.63	52.63	-	-	-	-
<b>Current assets</b>								
Current investments	2,220.66	-	-	2,220.66	2,220.66	-	-	2,220.66
Trade receivables	-	-	1,265.45	1,265.45	-	-	-	-
Cash and cash equivalents	-	-	717.83	717.83	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	152.40	152.40	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Other current financial assets	-	-	214.58	214.58	-	-	-	-
	<b>2,220.66</b>	<b>-</b>	<b>2,402.89</b>	<b>4,623.55</b>	<b>2,220.66</b>	<b>-</b>	<b>-</b>	<b>2,220.66</b>
<b>Financial liabilities</b>								
<b>Non-current Liabilities</b>								
Borrowings	-	-	-	-	-	-	-	-
Lease liabilities	-	-	251.53	251.53	-	-	-	-
<b>Current Liabilities</b>								
Borrowings	-	-	1,300.69	1,300.69	-	-	-	-
Trade payables	-	-	261.49	261.49	-	-	-	-
Lease liabilities	-	-	46.17	46.17	-	-	-	-
Other financial liabilities	-	-	361.99	361.99	-	-	-	-
	<b>-</b>	<b>-</b>	<b>2,221.87</b>	<b>2,221.87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at 31 March 2022	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
<b>Financial assets</b>								
<b>Non-current assets</b>								
Investments	-	-	-	-	-	-	-	-
Other non-current financial assets	-	-	61.48	61.48	-	-	-	-
<b>Current assets</b>								
Current investments	930.83	-	-	930.83	930.83	-	-	930.83
Trade receivables	-	-	1,125.96	1,125.96	-	-	-	-
Cash and cash equivalents	-	-	450.33	450.33	-	-	-	-
Bank balances other than cash and cash equivalent	-	-	1.53	1.53	-	-	-	-
Current loans	-	-	1.41	1.41	-	-	-	-
Other current financial assets	-	-	190.48	190.48	-	-	-	-
	<b>930.83</b>	<b>-</b>	<b>1,831.19</b>	<b>2,762.02</b>	<b>930.83</b>	<b>-</b>	<b>-</b>	<b>930.83</b>
<b>Financial liabilities</b>								
<b>Non-current Liabilities</b>								
Borrowings	-	-	1,225.14	1,225.14	-	-	-	-
Lease liabilities	-	-	250.57	250.57	-	-	-	-
<b>Current Liabilities</b>								
Borrowings	-	-	-	-	-	-	-	-
Trade payables	-	-	255.29	255.29	-	-	-	-
Lease liabilities	-	-	120.93	120.93	-	-	-	-
Other financial liabilities	-	-	310.66	310.66	-	-	-	-
	<b>-</b>	<b>-</b>	<b>2,162.59</b>	<b>2,162.59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 41. Financial instruments – Fair values and risk management (continued)

### B. Fair value hierarchy

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

- (a) recognised and measured at fair value and
- (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group 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 to 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 Group 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.

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

Carrying amount and Fair value	As at 31 March 2023	As at 31 March 2022
<b>Financial assets</b>		
Investments in associates	65.00	-
Other non current financial assets	52.63	61.48
Trade receivables	1,265.45	1,125.96
Cash and cash equivalents	717.83	450.33
Bank balances other than cash and cash equivalent	152.40	1.53
Loans	-	1.41
Other current financial assets	214.58	190.48
	<b>2,467.89</b>	<b>1,831.19</b>
<b>Financial liabilities</b>		
Borrowings	1,300.69	1,225.14
Trade payables	261.49	255.29
Lease liabilities	297.70	371.50
Other current financial liabilities	361.99	310.66
	<b>2,221.87</b>	<b>2,162.59</b>

The carrying amounts of the financial assets and liabilities measured at amortised cost are considered to be their fair values as these carrying amounts are a reasonable approximation of their corresponding fair values.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 41. Financial instruments – Fair values and risk management (continued)

### II. Financial risk management

#### Risk Management framework

The Holding Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk Management framework. The Board of Directors has constituted an Audit Committee which is responsible for monitoring the Group's risk Management policies. The Group's risk Management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Group, 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 Group has exposure to the following risks arising from financial instruments:

- a) Credit risk;
- b) Liquidity risk; and
- c) Market risk

#### i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Group. 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 employee payables. The Group does not expect any as the said loans are only given to confirmed employees of the organisation.

##### b. Trade receivables

The Group'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 Group 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 40 days. The Group review includes external ratings, customer's credit worthiness, if they are available, and in some cases bank references.

The customer base of the Group comprises of various corporate, state governments and mutual fund houses all having sound financial condition. 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 Group are held with banks which have high credit rating. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 41. Financial instruments – Fair values and risk management (continued)

### Investments in equity instrument of other companies and mutual funds

The credit risk for the investments in equity instrument of other companies and mutual funds is considered as negligible as the counter parties are reputable Companies and 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 2023	As at 31 March 2022
Trade receivables	1,265.45	1,125.96

During the year, the Group has made write-offs of trade receivables as disclosed in Note 32 as it does not expect to receive future cash flows or recoveries from collection of receivables previously written off. The Group's Management also pursue all legal options for recovery of dues, wherever necessary, based on its internal assessment.

Refer Note 12 for Reconciliation of loss allowance provision for Trade receivables.

## ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to 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 Group'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 Group's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group'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 Group. In addition, the Group'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. The Group has a net current assets of ₹ 2,419.32 Million as at 31 March 2023 (31 March 2022: ₹ 1,773.81 millions)

### 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 31 March 2023	Contractual total cash flows	Up to 1 year	Between 1 - 2 years	Between 2 - 5 years	More than 5 year
<b>Non-derivative financial liabilities</b>						
Trade payables	261.49	261.49	261.49	-	-	-
Borrowings*	1,300.69	1,340.00	-	1,340.00	-	-
Lease liabilities	297.70	380.69	82.68	75.56	162.92	59.53
Other financial liabilities	361.99	361.99	361.99	-	-	-
<b>Total</b>	<b>2,221.87</b>	<b>2,344.17</b>	<b>706.16</b>	<b>1,415.56</b>	<b>162.92</b>	<b>59.53</b>

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 41. Financial instruments – Fair values and risk management (continued)

Particulars	Carrying amount as at 31 March 2022	Contractual total cash flows	Up to 1 year	Between 1 - 2 years	Between 2 - 5 years	More than 5 year
<b>Non-derivative financial liabilities</b>						
Trade payables	255.29	255.29	255.29	-	-	-
Borrowings*	1,225.14	1,340.00	-	1,340.00	-	-
Lease liabilities	371.50	452.33	145.55	77.81	144.19	84.78
Other financial liabilities	310.66	310.66	310.66	-	-	-
<b>Total</b>	<b>2,162.59</b>	<b>2,358.28</b>	<b>711.50</b>	<b>1,417.81</b>	<b>144.19</b>	<b>84.78</b>

\* The contractual Cash flows includes interest obligation on borrowings

### iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group'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 Group does not have any borrowings with variable rates. Group has all of its borrowings at fixed rate. The Group has issued Non convertible borrowings at fixed interest rate.

#### Exposure to interest rate risk

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

Fixed-rate instruments	As at 31 March 2023	As at 31 March 2022
Financial assets	153.59	4.82
Financial liabilities	0.20	0.20

#### Cash flow sensitivity analysis for variable-rate instruments

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

#### Fair value sensitivity analysis for fixed-rate instruments

The Group 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 Group 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 Group's unhedged exposure to significant currency risk in foreign currency and domestic currency as reported to the Management of the Group is as follows:

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 41. Financial instruments – Fair values and risk management (continued)

Financial assets	As at 31 March 2023	As at 31 March 2022
<b>Trade receivables: Foreign Currency</b>		
USD	0.43	5.36
CAD	-	0.17
AUD	0.09	1.02
GBP	0.01	0.10
<b>Trade receivables - Indian Currency</b>		
USD	35.40	406.97
CAD	0.14	10.31
AUD	4.90	58.13
GBP	0.82	10.40

### Sensitivity analysis

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

Impact on profit after tax	As at 31 March 2023	As at 31 March 2022
<b>Net currency receivables/ (payables)</b>		
USD - 1% strengthening	(0.35)	(4.07)
USD - 1% weakening	0.35	4.07
CAD - 5% strengthening	(0.01)	(0.52)
CAD - 5% weakening	0.01	0.52
AUD -1% strengthening	(0.05)	(0.58)
AUD - 1% weakening	0.05	0.58
GBP -10% strengthening	(0.08)	(1.04)
GBP - 10% weakening	0.08	1.04
MYR -10% strengthening	(21.21)	(20.95)
MYR - 10% weakening	21.21	20.95

Impact on equity	As at 31 March 2023	As at 31 March 2022
<b>Net currency receivables/ (payables)</b>		
USD - 1% strengthening	(0.26)	(3.05)
USD - 1% weakening	0.26	3.05
CAD - 5% strengthening	(0.01)	(0.39)
CAD - 5% weakening	0.01	0.39
AUD -1% strengthening	(0.04)	(0.43)
AUD - 1% weakening	0.04	0.43
GBP -10% strengthening	(0.06)	(0.78)
GBP - 10% weakening	0.06	0.78
MYR -10% strengthening	(15.87)	(15.68)
MYR - 10% weakening	15.87	15.68

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 42. Capital management

The Group'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.
- ensure compliance with regulatory minimum networth required to be maintained in accordance with SEBI guidelines.

In order to maintain or adjust the capital structure, the Group 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 Group monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents and current equity instrument of other companies and investment in mutual funds) divided by total 'equity' (as shown in the balance sheet, excluding Capital reserve, Capital redemption reserve, Debenture redemption reserve, Share based payment reserve and Statutory reserve). The gearing ratios were as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Net debt	-	-
Total equity	8,408.83	6,169.26
<b>Net debt to equity ratio</b>	<b>0.00%</b>	<b>0.00%</b>

\* Net debt is computed as Borrowings less sum of Cash and cash equivalents, Bank balances and Current Investments. As at 31 March 23 and as at 31 March 2022, Net debt position is negative and hence represented as Nil.

## Debt covenants

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

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

The Company complied with these covenants till the date of repayment and these are not applicable thereafter.

Further, the SEBI (Registrars to an Issue and Share Transfer Agents), Rules and Regulations, 1993 require the Parent Company to maintain a minimum net worth of ₹ 50.00 million at all times. Such net worth is computed based on a formula given in the SEBI guidelines as per which Net worth = Share capital + Free reserves and surplus - debit balance in the P&L - Preliminary expenses not written off - Intangible assets - Deferred Tax assets. For computing this net worth, the carrying value of goodwill amounting to ₹ 5,434.31 millions as at 31 March 23 (31 March 2022: ₹ 5,434.31 millions) that has arisen on account of the business combinations is not deducted by the management. This is consistent with the methodology followed by the Parent Company in the submissions made earlier to SEBI and is based on legal advice obtained by the Parent Company. Basis such computation, the Parent Company is in compliance with the minimum net worth criteria as per aforementioned SEBI guidelines.

## 43. Impairment test of goodwill

The Group is carrying goodwill aggregating to ₹ 5,434.31 million as at 31 March 2023 and as at (31 March 2022 : ₹ 5,434.31 million) referred to in Note 4 and 44. For the purpose of impairment testing, the carrying amount of goodwill has been allocated to the following CGUs.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 43. Impairment test of goodwill (continued)

Particular	As at 31 March 2023	As at 31 March 2022
Domestic mutual fund investor solutions	4,213.36	4,213.36
Issuer solutions	507.82	507.82
Global business services	95.12	95.12
International and other investor solutions	618.01	618.01

For the year ended 31 March 2023, the goodwill impairment has been assessed at the CGU level. The recoverable amount of the Goodwill has been determined as per value in use method using discounted cash flows. 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 Group 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 Group 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 Group performs an annual impairment test of goodwill. The latest impairment test was performed for the year ended 31 March 2023 and the actual performance of the CGU has been monitored against the budgets for the year ended 31 March 2023.

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

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	15.32%	14.00%
Terminal value rate	5.00%	5.00%
Revenue growth rate	5% to 35%	2% to 45%

- 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 growth rate, consistent with the assumptions that a market participant would make.
- Budgeted revenue has been estimated taking into account past experience and expected growth in the next five years.

The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash - generating unit.

Also Refer Note 44(B) in respect of approval received from NCLT towards testing the goodwill for impairment w.e.f. 1 April 2021.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 44. Business combination

### A. Acquisition of the Hexagram Fintech Private Limited by the Group

During the previous year ended 31 March 2022, the Parent Company has entered into a Share Purchase Agreement (SPA) to acquire Hexagram Fintech Private Limited with effect from 7 February 2022 for a net purchase consideration of ₹ 251.53 million. The fair value of assets and liabilities have been computed by a third party valuer vide their report dated 4 June 2022. The fair value of assets and liabilities acquired and the purchase consideration paid is determined as under:

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

Particulars	Amount
<b>Purchase consideration (A)</b>	<b>251.53</b>
<b>Fair value of identifiable assets and liabilities acquired</b>	
<b>Assets</b>	
a) Customer relationships	13.91
b) Computer software	12.64
c) Trademarks	43.49
d) Non-compete agreement	39.32
e) Non-current tax assets	5.34
f) Current assets	35.33
<b>Total assets (B)</b>	<b>150.03</b>
<b>Liabilities</b>	
a) Non-current liabilities	3.65
b) Current liabilities	63.90
c) Deferred tax liabilities	19.72
<b>Total liabilities (C)</b>	<b>87.27</b>
<b>Net assets (D=B-C)</b>	<b>62.76</b>
<b>Goodwill (A-D)</b>	<b>188.77</b>

The goodwill is attributable mainly to the strong customer base and the synergies expected to be achieved from integrating the target into the Group's existing Standard business.

### Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows.

Assets acquired	Valuation technique
Computer software	<b>Cost technique:</b> The valuation model considers depreciated replacement cost when appropriate.
Customer relationships	<b>Income based approach method:</b> This typically aims to capture the future earnings of a potential of an intangible and are used to estimate the value based on projected future cash flows over the assets economic life. This method considers the discounted estimated income from the customer contracts that transferred. The resulting net cash flows are also termed as multi period excess earnings. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by excluding any cash flows related to contributory assets. The cash inflows and outflows are in general derived from projected financial information.
Non-compete agreement	<b>With and without method:</b> This method aims to value the intangible, based on the difference in the value of the business with and without the existence and use of the asset. We have considered this method to value the Non-compete Agreement based Intangible Assets.
Trademarks	<b>Relief from Royalty Method</b> values the intangible based on the amount of royalty one would have had to pay in an arm's length arrangement to secure similar rights to the assets. This royalty income represents the cost savings of the owner of the asset the owner does not have to pay royalties to a third party for the license to use the intangible asset. The derivation of the royalty income comprises two steps, the determination of revenue attributable to the asset and the determination of the appropriate royalty rate. We have used this method to value Technology related Intangible asset.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 44. Business combination (continued)

The business rationale of this business combination was to enable the Group to increase the market share through new customers.

### Net cash flow on acquisition :

Particulars	Cash flow on acquisition
Net cash acquired with subsidiary	106.01
Cash paid	(251.53)

### For acquired receivables:

Particulars	As on date of acquisition
The gross contractual amounts receivable	226.22
The best estimate at the acquisition date of contractual cash flows not expected to be collected (provision)	-
	<b>226.22</b>

The acquired business contributed revenues of ₹ 20.48 millions and profit before tax of ₹ 5.29 millions to the Group for the period 7 February 2022 to 31 March 2022. If the acquisitions would have occurred on 1 April 2021, pro-forma revenue and profit before tax for the year ended 31 March 2022 would have been ₹ 6,510.23 million and ₹ 2,027.75 million, respectively.

## B. Amalgamation of the 'RTA undertaking' of KCL into the Group and Amalgamation of KCPL into the Group

The Board of Directors of the Parent 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 Parent Company and their respective shareholders under the relevant provisions of the Companies Act, 2013 ('the Scheme'). The Scheme has been approved by the National Group 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 Group with effect from 17 November 2018, the details of which are given below:

### Amalgamation of the 'RTA undertaking' of KCL into the Group

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 Group with effect from 17 November 2018 in consideration of issue of 110,000,015 equity shares of ₹ 10 each of the Group 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 Group to the shareholders of KCL has been recorded at par value; and
- the difference between a) and b) above amounting to ₹ 1,093.75 millions has been recorded as Goodwill.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 44. Business combination (continued)

### Amalgamation of KCPL into the Group

On 17 November 2018, the Group acquired a 50% stake in KCPL from an existing shareholder. Further, on 17 November 2018, the 'RTA Undertaking' of KCL got amalgamated into the Group, thus vesting the remaining 50% stake of KCPL to the Group. Accordingly, on 17 November 2018, KCPL became a wholly owned subsidiary of the Group. However, the amalgamation of KCPL into the Group also became effective on the same day, and hence, KCPL got merged into KFPL on 17 November 2018.

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

- a) all assets and liabilities of KCPL have been recorded at their existing book values as at 16 November 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 ₹ 5,600.35 millions has been recorded as Goodwill.

As per the Scheme, the cumulative goodwill arising on the transaction amounting to ₹ 6,694.01 millions is being amortised over a period of 10 years. Goodwill generated on this transaction largely represents the value of the businesses acquired by the Group as reduced by the book values of the assets and liabilities of the acquired businesses.

The Board of Directors of the Group at its meeting held on 01 September 2021, have approved the application filed with National Company Law Tribunal ('NCLT application') on 28 October 2021 for discontinuing amortisation of goodwill. As per the Scheme approved earlier in October 2018, the goodwill was being amortised over a period of ten years. Pursuant to the approval of the NCLT application via order dated 2 March 2022, the amortisation of goodwill has been discontinued with effect from 1 April 2021. As per Ind AS 36– Impairment of Assets, the Group continues to annually test the impairment on Goodwill. Also, Refer Note 43 for further details of Impairment testing of goodwill

## 45. Share Based Payments

The shareholders of the Parent Company vide their meeting held on 31 July 2019 have authorised the Board of Directors to introduce, offer and provide share-based incentives to eligible employees of the Group under KFPL Employee Stock Option Plan 2019 ('ESOP Plan 2019'). The maximum number of shares that the Parent Company can issue under the ESOP plan 2019 were 9,593,839 equity shares. Subsequently, the members of the Parent Company have approved renaming the plan as Employee Stock Option Plan 2020 ('ESOP Plan 2020') and cancellation of 2,500,000 options in EGM held on 20 October 2020. The Board and Nomination and Remuneration Committee (NRC) of the Parent Company have notified seven schemes under the ESOP Plan 2020 up to 31 March 2023. The revised number of options available under the ESOP plan 2020 pool are 7,093,839 equity shares as at 31 March 2023 (31 March 2022: 7,093,839). The options under these schemes vest to the employees based on various performance and other parameters. As at 31 March 2023, the Parent Company has granted 5,981,830 (net) (31 March 2022: 6,502,563) options to eligible employees as identified by the NRC. These options vests between a minimum of 1 to 3.65 years from the date of grant.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 45. Share Based Payments (continued)

### A. Description of share based payment arrangements

Particulars	Scheme A	Scheme B	Scheme C	Scheme D	Scheme E	Scheme F	Scheme G
Date of Grant	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20	8-Aug-19 13-Jan-20 8-Sept-20 1-Nov-21	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20 1-Nov-21	01-Nov-21 24-Mar-22	01-Nov-21 24-Mar-22	01-Nov-21	24-Mar-22
Number of options in pool							70,93,839
<b>Total number of options granted as at</b>							
As at 31 March 2023	962,304	1,329,603	1,148,260	1,677,761	362,183	303,380	198,339
As at 31 March 2022	1,002,514	1,392,641	1,223,370	1,903,905	385,170	396,823	198,340
Exercise period	7 years from the date of listing of shares on the stock exchange for continuing employee or deceased employee and a period of 3 years from the date of listing of shares on the stock exchange for ex-employees						
Vesting condition	Time based vesting condition	Achievement of performance condition and non-market based condition	Achievement of non-market based condition	Time based vesting condition	Achievement of performance condition and non-market based condition	Achievement of non-market based condition	Achievement of performance condition
Vesting period	15% - end of year 1 15% - end of year 2 35% - end of year 3 35% - end of year 4	50% or 100% on achievement of target specified in the scheme or 100% non-market based condition	100% on achievement of condition specified in the scheme or 100% non-market based condition	20% - end of year 1 20% - end of year 2 30% - end of year 3 30% - end of year 4	50% or 100% on achievement of target specified in the scheme or 100% non-market based condition	100% on achievement of condition specified in the scheme or 100% non-market based condition	100% on achievement of condition specified in the scheme
Exercise price	70.36 91.98 110.00	70.36 91.98 110.00 185.00	70.36 91.98 110.00 185.00	185.00	185.00	185.00	185.00

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 45. Share Based Payments (continued)

### B. Measurement of fair values

The fair value of the options granted during the period and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans measured based on the Black Scholes valuation model are as follows:

Particulars	Scheme A	Scheme B	Scheme C	Scheme D	Scheme E	Scheme F	Scheme G
Date of grant	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20 1-Nov-21	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20 1-Nov-21	01-Nov-21 24-Mar-22	01-Nov-21 24-Mar-22	01-Nov-21	24-Mar-22
Fair Value of option (In ₹)	33.57/ 33.52 35.78	33.57/ 33.52 35.78/ 52.56	33.57/ 33.52 35.78/ 52.56	52.56/ 51.92	52.56/ 51.92	52.56	51.92
Exercise price	70.36 91.98 110.00	70.36 91.98 110.00 185.00	70.36 91.98 110.00 185.00	185.00	185.00	185.00	185.00
Risk free interest rate	6.47%/ 6.88% 6.40%	6.47%/ 6.88% 6.40%/ 6.79%	6.47%/ 6.88% 6.40%/ 6.79%	6.79%/ 7.12%	6.79%/ 7.12%	6.79%	7.12%
Remaining contractual life	7/ 3 years	7/ 3 years	7/ 3 years	7/ 3 years	7/ 3 years	7/ 3 years	3 years
Expected life of share options (years)	8.15/ 7.72 years 7.06 years 4.16 years	8.15/ 7.72 years 7.06 years/ 4.16 years	8.15/ 7.72 years 7.06 years/ 4.16 years	4.16 years/ 3.77 years	4.16 years/ 3.77 years	4.16 years	3.77 years
Expected volatility (weighted average volatility %)	14.61%/ 13.96% 16.16%	14.61%/ 13.96% 16.16%/ 17.62%	14.61%/ 13.96% 16.16%/ 17.62%	17.62%/ 19.34%	17.62%/ 19.34%	17.62%	19.34%
Expected dividend yields (%)	-	-	-	-	-	-	-

The fair value of the options granted during the period and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans measured based on the Black Scholes valuation model are as follows:

- > The expected life of the share options is based on current expectations and is not necessarily indicative of exercise patterns that may occur.
  - > Since there are no listed companies in the Indian market that are absolutely comparable to Parent Company, volatility of returns on the BSE500 index for historical period has been considered. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.
  - > The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option.
- The average remaining contractual life for the stock options outstanding is 3.77 years as at 31 March 2022 i.e. 0.27 years post lock in period of 1 year and average life of 3.5 years from the date of listing (31 March 2022 (31 March 2021: 7.06 years post lock in period of 3.5 years and average life of 3.5 years from the date of listing).

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 45. Share Based Payments (continued)

### C. Reconciliation of share options

Particulars	Number of options as at 31 March 2023	Number of options as at 31 March 2022
Outstanding at beginning of the year	6,502,563	2,666,728
Granted during the year	-	4,064,126
Forfeited during the year	(520,933)	(228,091)
Exercised during the year	(1,659,816)	(200)
<b>Outstanding at end of the year</b>	<b>4,321,814</b>	<b>6,502,563</b>
Exercisable at the end of the year		

During the period ended 31 March 2023, the Company has not granted any options (31 March 2022: 4,064,126) under ESOP Plan 2019 to eligible employees as identified by the Nomination and Remuneration Committee (NRC).

### D. Effect of the Employee option plan on the consolidated statement of profits and loss and on its financial position

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Total employee compensation cost pertaining to stock option plan (Refer Note 29)	82.90	91.55
Reserves- Employee stock option plan outstanding as at the year (Refer Note 19)	139.73	120.51

## 46. Revenue from contract with customers

### (a) Type of Service

Particulars	Timing of recognition	As at 31 March 2023	As at 31 March 2022
Fee from domestic mutual fund investor solutions	Over the period	4,972.25	4,600.45
Fee from issuer solutions	Over the period	1,132.96	884.14
Fee from international and other investor solutions	Over the period	657.35	488.05
Fee from global business services	Over the period	437.71	422.43
<b>Total</b>		<b>7,200.27</b>	<b>6,395.07</b>

### (b) Contract balances:

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables, net	1,265.45	1,125.96
Contract liabilities (unearned income and advance from customers)	38.86	55.67

Trade receivables are non-interest bearing and generally on terms of payment of 40 days.

### (c) Reconciliation of revenue with contract price

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Contract price	7,219.05	6,421.53
Less : Adjustments for price concessions	(18.78)	(26.46)
<b>Revenue from operations</b>	<b>7,200.27</b>	<b>6,395.07</b>

**Performance obligation :-** The Group enters into contracts with customers for rendering Domestic Mutual Fund Investor Solutions, Issuer Solutions, International and Other Investor Solutions and Global Business Services. The performance obligation for all of these services is satisfied over the period.

**Transaction price :-** Contract price is determined as per terms agreed with the customer and no further adjustments are made to the same.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 46. Revenue from contract with customers (continued)

**Payment terms :-** The amounts receivable from customers become due after expiry of credit period which on an average is less than 40 days. The contracts entered with customers do not have significant financing component.

**Transaction price allocated to remaining performance obligations :-** The Group has applied the practical expedient in Ind AS 115 for disclosing information about its remaining performance obligations as the Group has a right to invoice and right to consideration from its customers with respect to the Group's performance completed till the reporting date.

### (d) Movement in contract liabilities (Unearned income)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening Balance	14.50	13.14
Movement during the year, net	9.11	1.36
<b>Closing balance of deferred revenue</b>	<b>23.61</b>	<b>14.50</b>

**47.** During the year ended 31 March 2023, the Parent Company has incurred expenses for various services in connection with proposed Initial Public Offering ('IPO') of equity shares of aggregating to ₹ 677.27 Million (As at 31 March 22: 84.72 Million). In accordance with the Offer Agreement entered between the Company and the selling shareholder, the selling shareholder shall reimburse such offer related expenses. Accordingly, the Parent Company will recover the expenses incurred in connection with the issue on completion of IPO. The entire amount has been carried forward and disclosed under the head "IPO related expenses" under "other current financial assets". In the event that the Offer is postponed or withdrawn or abandoned for any reason or the Offer is not successful or consummated, all costs and expenses with respect to the Offer shall be borne solely by the Parent Company.

## 48. Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of Consolidated financial statements:-

### As at 31 March 2023

Name of the Entity	Net assets (total assets minus total liabilities)		Share in profit or loss after tax		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated OCI	Amount	As % of Consolidated total comprehensive income	Amount
<b>Parent</b>								
KFin Technologies Limited	100.17%	8,716.62	100.26%	1,962.53	1050%	0.21	100.27%	1,962.74
<b>Subsidiary in India</b>								
KFin Services Private Limited	0.53%	45.77	0.07%	1.34	-	-	0.07%	1.34
Hexagram Fintech Private Limited	1.47%	127.86	-0.77%	(15.11)	-950%	(0.19)	-0.78%	(15.30)
KFin Global Technologies (IFSC) Limited	0.05%	4.38	-0.03%	(0.62)	-	-	-0.03%	(0.62)
<b>Foreign subsidiaries</b>								
KFin Technologies (Bahrain) W.L.L.	0.46%	40.41	0.11%	2.11	-	-	0.11%	2.11
KFin Technologies (Malaysia) SDN.BHD	0.63%	54.49	0.55%	10.81	-	-	0.55%	10.81
Hexagram Fintech (Malaysia) SDN.BHD	0.20%	17.81	0.36%	7.00	-	-	0.36%	7.00
Adjustment arising out of consolidation	-3.51%	(305.12)	-0.55%	(10.70)	-	-	-0.55%	(10.70)
<b>Total</b>	<b>100%</b>	<b>8,702.22</b>	<b>100%</b>	<b>1,957.36</b>	<b>100%</b>	<b>0.02</b>	<b>100%</b>	<b>1,957.38</b>

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 48. Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of Consolidated financial statements (continued)

As at 31 March 2022

Particulars	Net assets (total assets minus total liabilities)		Share in profit or loss after tax		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated OCI	Amount	As % of Consolidated total comprehensive income	Amount
<b>Parent</b>								
KFin Technologies Limited	100.22%	6,457.48	103.01%	1,530.15	100.00%	(5.47)	103.02%	1,524.68
<b>Subsidiary in India</b>								
KFin Services Private Limited	0.69%	44.44	-0.70%	(10.36)	-	-	-0.70%	(10.36)
Hexagram Fintech Private Limited	1.14%	73.16	-0.16%	(2.44)	-	-	-0.16%	(2.44)
<b>Foreign subsidiaries</b>								
KFin Technologies (Bahrain) W.L.L.	0.55%	35.44	0.07%	1.04	-	-	0.07%	1.04
KFin Technologies (Malaysia) SDN.BHD	0.65%	42.06	0.44%	6.61	-	-	0.45%	6.61
Hexagram Fintech (Malaysia) SDN.BHD	0.16%	10.28	0.52%	7.73	-	-	0.52%	7.73
Adjustment arising out of consolidation	-3.41%	(219.43)	-3.18%	(47.24)	-	-	-3.19%	(47.24)
<b>Total</b>	<b>100.00%</b>	<b>6,443.43</b>	<b>100.00%</b>	<b>1,485.49</b>	<b>100%</b>	<b>(5.47)</b>	<b>100%</b>	<b>1,480.02</b>

49. As at 31 March 2023 and 31 March 2022, the Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

50. The Group has not given any loan or guarantee or provided any security as covered under Section 186 of the Companies Act, 2013. Accordingly, the disclosure requirements to that extent does not apply to the Group.

51. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries except as disclosed in the Table below for previous year:-

No funds have been received by the Group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries, except as disclosed in the Table below:-

During the previous financial year, the Parent Company has infused funds into one of the subsidiaries i.e., KFin Services Private Limited ('Subsidiary Company') with the understanding that the subsidiary company will make the investment in the Artivatic Data Labs Private Limited and details of the investments transaction are as follows:

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

Funding Party	Date of funds transferred	Amount of funds transferred	Name of ultimate Beneficiary	Date of investment in Ultimate Beneficiary	Amount of investments in Ultimate Beneficiary
KFin Technologies Limited	06-Apr-21	45.00	Artivatic Data Labs Private Limited	08-Apr-21	5.00
KFin Technologies Limited	27-Nov-21	10.00	Artivatic Data Labs Private Limited	30-Apr-21	35.00
			Artivatic Data Labs Private Limited	23-Dec-21	4.00
<b>Total</b>		<b>55.00</b>			<b>44.00</b>

On 23 March 2021, the Subsidiary Company entered into an agreement to invest in Artivatic Data Labs Private Limited by subscribing to 3,511 number of equity shares of ₹ 1 each fully paid-up and 31,599 Compulsory Convertible Preference Shares having a face value of ₹ 1 for a total consideration of ₹ 75.00 million, collectively comprising of 17% holding of Artivatic Data Labs Private Limited.

During the previous year, the Subsidiary Company made an investment of ₹ 44.00 million (towards purchase of equity and preference shares of Artivatic Data Labs Private Limited) for which it incurred transaction costs of ₹ 7.34 million. Subsequently, during the year these investments were disposed for an amount of ₹ 44.00 million and accordingly the amount of ₹ 7.34 million has been charged to consolidated statement of profit and loss of financial year 2021-22.

52. The Parent company has converted itself from private limited to public limited, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on 28 January 2022 and consequently the name of the Company has changed to "KFin Technologies Limited" pursuant to a fresh certificate of incorporation by the Registrar of Companies on 24 February 2022.
53. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
54. To the best of our knowledge, the Group does not have any transactions with companies struck off.
55. The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
56. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
57. The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
58. The Group does not have borrowings from banks and financial institutions on the basis of security of current assets. Hence, no quarterly returns or statements of current assets are being filed by the Group with banks and financial institutions.

# Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

## 59. Events after reporting period:

Subsequent to the year ended March 31, 2023, the Company has acquired 100% stake in WebileApps (India) Private Limited by investing ₹ 110 million. The acquisition will integrate Company's deep domain knowledge with WebileApps's technical expertise, offering clients with world-class products and platforms with the potential to unlock new revenue streams and markets. The acquisition offers several advantages, including accelerated product development in SaaS and PaaS models, brings in additional cloud, artificial intelligence and UI/UX expertise that will differentiate KFinTech and help explore untapped segments and geographies besides adding significant value to its clients.

As per our Report of even date attached

**for B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 116231 W/W-100024

**Amit Kumar Bajaj**

*Partner*

Membership No.: 218685

Place: Mumbai

Date: 05 May 2023

for and on behalf of Board of Directors of

**KFin Technologies Limited**

CIN: L72400TG2017PLC117649

**Vishwanathan**

**M Nair**

*Chairman*

DIN: 02284165

Place: Mumbai

Date: 05 May 2023

**Venkata Satya Naga**

**Sreekanth Nadella**

*Managing Director &*

*Chief Executive Officer*

DIN: 08659728

Place: Mumbai

Date: 05 May 2023

**Vivek Narayan**

**Mathur**

*Chief Financial Officer*

Membership no.:

A089454

Place: Mumbai

Date: 05 May 2023

**Alpana Uttam**

**Kundu**

*Company Secretary*

Membership no.:

F10191

Place: Mumbai

Date: 05 May 2023

**Form No. AOC – 1****Salient features of financial statements of subsidiaries and associate companies***[Pursuant to Section 129 of the Companies Act, 2013 and Rule 5 of the Companies (Accounts) Rules, 2014]***Part A: Subsidiaries**

Amounts in Rupees Millions

Sr. No.	Particulars	Details	
01	Name of the Subsidiary	KFin Services Private Limited	KFin Global Technologies (IFSC) Limited
02	Date since when Subsidiary was acquired	January 06, 2020	June 28, 2022
03	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April to March	April to March
04	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	₹ (Indian Rupees)	USD (United States Dollar) Exchange Rate: Closing rate: 1 USD = 82.15 ₹ Average rate: 1 USD = 82.17 ₹
05	Share capital	55.10	5.00
06	Reserves and surplus	(9.33)	(0.62)
07	Total assets	46.21	4.58
08	Total liabilities	0.44	0.2
09	Investments	-	-
10	Turnover	-	-
11	Profit before taxation	1.34	-0.62
12	Provision for taxation	-	-
13	Profit after taxation	1.34	-0.62
14	Proposed dividend	-	-
	% of shareholding	100%	100%

Amounts in Rupees Millions

Sr. No.	Particulars	Details	
01	Name of the Subsidiary	KFin Technologies (Bahrain) W.L.L.	Hexagram Fintech Private Limited
02	Date since when Subsidiary was acquired	November 17, 2018	February 07, 2022
03	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April to March	April to March
04	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	BHD (Bahraini Dinar)	₹ (Indian Rupees) Exchange rate Closing rate: 1 BHD = 217.94 ₹ Average rate: 1 BHD = 213.62 ₹
05	Share capital	7.70	149.90
06	Reserves and surplus	32.71	(22.06)
07	Total assets	49.61	171.20
08	Total liabilities	9.20	43.36
09	Investments	-	9.11
10	Turnover	29.54	76.58
11	Profit before taxation	2.11	(23.88)
12	Provision for taxation	-	(8.75)
13	Profit after taxation	2.11	(15.13)
14	Proposed dividend	-	-
15	% of shareholding	100%	100%

Amounts in Rupees Millions

Sr. No.	Particulars	Details	
01	Name of the Subsidiary	Hexagram Fintech SDN. BHD.	KFin Technologies (Malaysia) SDN. BHD.
02	Date since when Subsidiary was acquired	February 07, 2022	November 17, 2018
03	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April to March	April to March
04	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	MYR (Malaysian Ringgit) Exchange Rate: Closing rate: 1 MYR = 18.61 ₹ Average rate: 1 MYR = 18.09 ₹	MYR (Malaysian Ringgit) Exchange Rate: Closing rate: 1 MYR = 18.61 ₹ Average rate: 1 MYR = 18.09 ₹
05	Share capital	9.74	16.61
06	Reserves and surplus	8.07	37.88
07	Total assets	22.29	94.25
08	Total liabilities	4.48	39.76
09	Investments	-	-
10	Turnover	32.53	202.72
11	Profit before taxation	8.05	15.35
12	Provision for taxation	1.05	4.54
13	Profit after taxation	7.00	10.81
14	Proposed dividend	-	-
15	% of shareholding	100%	100%

Sr. No.	Company	Country of Incorporation
<b>A]</b>	<b>Subsidiaries which are yet to commence operations</b>	
	KFin Services Private Limited	India
	KFin Global Technologies (IFSC) Limited	India
<b>B]</b>	<b>Subsidiaries which have been liquidated or sold during the year</b>	
	None	

## Part B: Associates

Amounts in Rupees Millions

Sr. No.	Particulars	Details
01	Name of the Associates	Fintech Products and Solutions (India) Private Limited
02	Date since when Associates was acquired	March 22, 2023
03	Latest Audited Balance sheet	March 31, 2022
04	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	10,41,525
	Amount of Investment in Associate	65.00
	Extend of Holding %	25.63%
05	Description of how there is significant influence	Holds more than 20% of the equity of the associate.
06	Reason why the associate is not consolidated	Doesn't meet Consolidation criteria as per Ind AS 110
07	Networth attributable to Shareholding as per latest audited Balance Sheet	Nil. As there's no profit post- acquisition of the Company as associate.
08	Profit / Loss for the year	Nil. As there's no profit post- acquisition of the Company as associate.
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

Sr. No.	Company	Country of Incorporation
<b>A]</b>	<b>Associates which are yet to commence operations</b>	
	None	
<b>B]</b>	<b>Associates which have been liquidated or sold during the year</b>	
	None	

**Part C: Joint Ventures - NIL**

On Behalf of the Board of Directors of  
KFin Technologies Limited

**Vishwanathan Mavila Nair**

Chairperson  
DIN: 02284165

**Venkata Satya Naga Sreekanth Nadella**

Managing Director and CEO  
DIN: 08659728

June 23, 2023 | Mumbai

# Notice of Annual General Meeting

Notice is hereby given that the 6<sup>th</sup> Annual General Meeting of members of KFin Technologies Limited (formerly known as KFin Technologies Private Limited) will be held on Monday, September 25, 2023, at 03:00 p.m. (IST) through Video Conferencing / Other Audio-Visual Means, to transact the following businesses:

## ORDINARY BUSINESS

**Item No. 1:** To consider and adopt the standalone and consolidated audited financial statements of the Company for the financial year ended March 31, 2023, and the Reports of the Board of Directors and Auditors thereon, and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** the standalone and consolidated audited financial statements of the Company for the financial year ended March 31, 2023, and the Reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”

**Item No. 2:** To appoint Mr. Srinivas Peddada (DIN: 08755240), who retires by rotation as a Nominee Director and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any amendment(s) thereto or re- enactment(s) thereof, for the time being in force, the Articles of Association of the Company, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Srinivas Peddada (DIN: 08755240), who retires by rotation at this meeting, and being eligible, has offered himself for re-appointment, be and is hereby appointed as a Nominee Director of the Company, liable to retire by rotation.”

**Item No. 3:** To appoint Mr. Jaideep Hansraj (DIN: 02234625), who retires by rotation as a Nominee Director and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any amendment(s) thereto or re- enactment(s) thereof, for the time being in force, the Articles of Association of the Company, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Jaideep Hansraj (DIN: 02234625), who retires by rotation at this meeting, and being eligible, has offered himself for re-appointment, be and is hereby appointed as a Nominee Director of the Company, liable to retire by rotation.”

**Item No. 4:** To appoint M/s. B S R and Co, as the Statutory Auditors of the Company and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** in accordance with the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any amendment(s) thereto or re- enactment(s) thereof, for the time being in force, based on the recommendation of the Board of Directors, M/s. B S R and Co, Chartered Accountants, ICAI Firm Registration No. 128510W, be and are hereby appointed as the Statutory Auditors of the Company, for a period of five (5) consecutive years, *i.e.*, from the conclusion of this Annual General Meeting until the conclusion of the 11<sup>th</sup> Annual General Meeting at remuneration of Rs. 61,00,000/- (Rupees Sixty One Lakh only) payable in one or more tranches plus applicable taxes, and reimbursement of reasonable out-of-pocket expenses for the financial year ending March 31, 2024;

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to finalize the terms and conditions of appointment including remuneration of the Statutory Auditor for the balance period.”

## SPECIAL BUSINESS

**Item No. 5:** To approve the payment of remuneration to Mr. Vishwanathan Mavila Nair (DIN: 02284165), Non-Executive Director and Chairperson, in excess of the limits prescribed in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** in accordance with the provisions of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“LODR Regulations”**), and other applicable provisions, if any, of the Companies Act, 2013 (**“Act”**) and the rules made thereunder, including any amendment(s) thereto or re-enactment(s) thereof, for the time being in force, approval of the members of the Company be and is hereby accorded for payment of remuneration to Mr. Vishwanathan Mavila Nair (DIN: 02284165), Non-Executive Director and Chairperson of the Company (as approved by the members at their extraordinary general meeting held on March 24, 2022), for the financial year ended March 31, 2023, as well as for the financial year ending March 31, 2024, being in excess of fifty percent of the total annual remuneration payable to all Non-Executive Directors of the Company for the respective financial years;

**RESOLVED FURTHER THAT** the Board or any duly constituted Committee of the Board, be and is hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and / or expedient in connection therewith or incidental thereto, to give effect to this resolution.”

**Item No. 6:** To appoint Mr. Alok Chandra Misra (DIN: 01542028) as a Nominee Director of the Company, and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any amendment(s) thereto or re-enactment(s) thereof, for the time being in force, the Articles of Association of the Company, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Alok Chandra Misra (DIN: 01542028), who was appointed as an Additional Director (Non-Executive, Nominee) by the Board of Directors of the Company with effect from July 28, 2023, who holds office till the date of this Annual General Meeting, be and is hereby appointed as a Director (Non-Executive, Nominee) of the Company, liable to retire by rotation;

**RESOLVED FURTHER THAT** the Board or any duly constituted Committee of the Board, be and is hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and / or expedient in connection therewith or incidental thereto, to give effect to this resolution.”

By Order of the Board of Directors of  
KFin Technologies Limited

**Registered Office:**  
Selenium, Tower B,  
Plot No. 31 & 32,  
Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad, Rangareddi,  
Telangana – 500032, India

**Alpana Kundu**  
Company Secretary and  
Compliance Officer  
ICSI M. No.: F10191

CIN: L72400TG2017PLC117649  
[www.kfintech.com](http://www.kfintech.com)  
[investorrelations@kfintech.com](mailto:investorrelations@kfintech.com)  
+91 40 7961 5565

August 28, 2023 | Mumbai

#### NOTES:

1. Pursuant to the General Circular No. 10/2022 issued by the Ministry of Corporate Affairs (**“MCA”**) on December 28, 2022 and other circulars issued by MCA in this respect, and Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 issued by the Securities and Exchange Board of India (**“SEBI”**) on January 5, 2023 (hereinafter collectively referred to as **“the Circulars”**), Companies are allowed to hold the AGM through VC / OAVM, without the physical presence of members at a common venue. In accordance with the Circulars, the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. The statement pursuant to Section 102 of the Act relating to Ordinary Business No. 4 and Special Business to be transacted at the AGM is annexed hereto. The details of Directors seeking re-appointment / appointment at the AGM per the LODR Regulations, the Act and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India, forms part of this Notice.
3. Generally, a member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.

4. Since the AGM will be held through VC / OAVM, the route map of the venue of the Meeting is not annexed hereto.
5. Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum for the AGM as per Section 103 of the Act.

#### **ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF E-MAIL ID AND OBTAINING COPY OF ANNUAL REPORT**

6. In compliance with the Circulars, Notice of the AGM along with the Annual Report for the Financial Year 2022-23 is being sent only through electronic mode to those members (as on August 25, 2023) whose e-mail ids are registered with the Registrar and Transfer Agent (“RTA”) / Depository Participants (“DPs”).
7. Members may note that the Notice of the AGM and Annual Report will also be available on the Company’s website at [www.kfintech.com](http://www.kfintech.com), websites of the Stock Exchanges, that is, BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and also on the website of National Securities Depositories Limited (“NSDL”) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). Any member desirous of receiving a physical copy of the Annual Report may send a request to the Company at [investorrelations@kfintech.com](mailto:investorrelations@kfintech.com).
8. Members holding shares in physical form and who have not updated their E-mail ids with the Company are requested to register / update their e-mail ids by sending either physical copy of duly filled in Form ISR-1 to the RTA Bigshare Services Private Limited at No. S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri East, Mumbai 400093 or by sending the same by email at [investor@bigshareonline.com](mailto:investor@bigshareonline.com).
9. Members holding shares in dematerialized (demat) mode are requested to register / update their E-mail ids with the relevant DPs. In case of any queries / difficulties in registering the e-mail id, members may write to [investorrelations@kfintech.com](mailto:investorrelations@kfintech.com).

#### **PROCEDURE FOR REMOTE E-VOTING, JOINING THE AGM AND VOTING AT THE AGM**

10. In accordance with Section 108 of the Act, read with the corresponding rules, Regulation 44 of the LODR Regulations the Company has provided a facility to its members to exercise their votes electronically through electronic voting (e-voting) facility provided by the National Securities Depository Limited (“NSDL”). The

manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided hereunder.

11. The members, whose names appear in the Register of Members / list of Beneficial Owners as on Monday, September 18, 2023, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. The voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date. Any person who is not a member as on the cut-off date should treat this Notice for information purpose only.
12. Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period will commence at 9:00 a.m. (IST) on Friday, September 22, 2023, and will end at 5:00 p.m. (IST) on Sunday, September 24, 2023. In addition, the facility for voting through e-voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting will be eligible to cast their vote through e-voting during the AGM. Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be eligible to cast their votes again.

#### **How do I vote electronically using NSDL e-voting system?**

The way to vote electronically on NSDL e-voting system consists of two steps as mentioned below.

##### **Step 1: Access to NSDL e-voting system**

- A) Login method for e-voting and joining virtual meeting for individual shareholders holding securities in demat mode

Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and Email id in their demat accounts in order to access e-voting facility.

Login methods for individual shareholders holding securities in demat mode are given below.

Type of shareholders	Login method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under <b>'IDeAS'</b> section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under value added services.  Click on <b>"Access to e-Voting"</b> under e-voting services and you will be able to see e-voting page. Click on Company name or <b>e-voting service provider i.e., NSDL</b> and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining the virtual meeting and voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>"Register Online for IDeAS Portal"</b> or click on the link <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company name or <b>e-voting service provider i.e., NSDL</b> and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.</li> <li>Members can also download NSDL Mobile App <b>"NSDL Speede"</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; gap: 20px;"> <div style="text-align: center;">  <b>App Store</b> </div> <div style="text-align: center;">  <b>Google Play</b> </div> </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon and New System Myeasi Tab and then use your existing myeasi username and password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-voting option for eligible Companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. Additionally, there are also links provided to access the system of all e-voting service providers, so that the user can visit the e-voting service providers' website directly.</li> <li>If the user is not registered for Easi / Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login and New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN from a e-voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile and Email id as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting service providers.</li> </ol>

Type of shareholders	Login method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant (holding securities in registered with NSDL / CDSL for e-voting facility. Upon logging in, you will be able to see e-voting demat mode) login option. Click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful through their depository authentication, wherein you can see e-voting feature. Click on Company name or e-voting service provider <i>i.e.</i> , NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

**Important note:** Members who are unable to retrieve their User ID / Password are advised to use Forget User ID and Forget Password options available at above-mentioned websites.

**Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depository *i.e.*, NSDL and CDSL, are as under:**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022-48867000 and 022-24997000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login method for e-voting and joining virtual meeting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode**

How do I login to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section.
3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices *i.e.*, IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 for casting your vote electronically.

4. Your User ID details are given below:

Manner of holding shares - Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the Company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than individual shareholders are given below:
    - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
    - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
    - c) How to retrieve your 'initial password'?
      - (i) If your Email id is registered in your demat account or with the Company, your 'initial password' is communicated to you on your Email id. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment *i.e.*, a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      - (ii) If your Email id is not registered, please follow steps mentioned below in **process for those shareholders whose Email ids are not registered.**
  6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - a) Click on "**Forgot User Details / Password**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number / folio number, your PAN, your name and your registered address *etc.*
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL
  7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-voting will open.
- Step 2: Cast your vote electronically and join Meeting on NSDL e-voting system**
- How do I cast my vote electronically and join Meeting on NSDL e-voting system?**
1. After successful login at Step 1, you will be able to see all the Companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
  2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-voting period and for casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC / OAVM" link placed under "Join Meeting".
  3. Now you are ready for e-voting as the voting page opens.
  4. Cast your vote by selecting appropriate options *i.e.*, assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
  5. Upon confirmation, the message "Vote cast successfully" will be displayed.
  6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- General guidelines for shareholders**
1. Institutional shareholders (*i.e.*, other than individuals, HUF, NRI *etc.*) are required to send a scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter *etc.*, with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [scrutinizer@snaco.net](mailto:scrutinizer@snaco.net) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (*i.e.*, other than individuals, HUF, NRI *etc.*) can also upload their Board Resolution / Power of Attorney / Authority Letter *etc.*, by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password" or "Physical User Reset Password" option available on [www.evoting.nSDL.com](http://www.evoting.nSDL.com) to reset the password.
  3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the download section of [www.evoting.nSDL.com](http://www.evoting.nSDL.com) or call on 022-48867000 and 022-24997000 or send a request to Ms. Prajakta Pawle, Officer, National Securities Depository Limited, 4th Floor, A wing, Trade World, Kamala mills compound, Senapati Bapat Marg, Lower Parel, Mumbai-400013, India, at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  4. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date *i.e.* September 18, 2023, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nSDL.com](http://www.evoting.nSDL.com) or call on 022 - 48867000 and 022 - 24997000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date *i.e.* September 18, 2023 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
- scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) by email to [investorrelations@kfintech.com](mailto:investorrelations@kfintech.com).
3. If you are an individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at Step 1 (A) *i.e.*, Login method for e-voting and joining virtual meeting for individual shareholders holding securities in demat mode.
  4. Alternatively, shareholder / members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
  5. Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and E-mail id correctly in their demat account in order to access e-voting facility.

#### Instructions for members for joining the AGM through VC / OAVM

#### Process for procuring user id and password for e-voting for those shareholders whose E-mail ids are not registered with the depositories

1. In case shares are held in physical mode please provide folio No., name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) by email to [investorrelations@kfintech.com](mailto:investorrelations@kfintech.com).
  2. In case shares are held in demat mode, please provide DP ID and Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID), name of shareholder, client master or copy of consolidated account statement, PAN (self-attested
1. Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access by following the steps mentioned below for Access to NSDL e-Voting system. After successful login, you can see link of "VC / OAVM" placed under "Join meeting" menu against Company name. You are requested to click on VC / OAVM link placed under Join meeting menu. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice to avoid last minute rush.
  2. Members are encouraged to join the Meeting through Laptops for better experience.
  3. For convenience and proper conduct of the AGM, members will be allowed to login and join 15 minutes before and anytime thereafter till conclusion of AGM. The login facility will remain open throughout the AGM.

Members who need technical assistance before or during the AGM may send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at 022-48867000 and 022-24997000 or contact Ms. Prajakta Pawle, Officer, National Securities Depository Limited, 4th Floor, A wing, Trade World, Kamala mills compound, Senapati Bapat Marg, Lower

Parel, Mumbai-400013, India, at the designated E-mail id [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

4. Please note that members connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio / video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connections to avoid any kind of glitches.
5. Members may note that the VC / OAVM facility provided by NSDL allows participation of at least one thousand members on a first-come-first-served basis. The large members (i.e., members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc., can attend the AGM without any restriction on account of first-come-first-served basis.

#### Instructions for members for e-voting on the day of the AGM

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members / shareholders, who will be present at the AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.
3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

#### PROCEDURE TO ASK QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO THE ANNUAL REPORT

13. Members who would like to express their views or ask questions during the AGM may pre-register themselves as a speaker by sending a request from their registered E-mail id mentioning their name, DP ID and Client ID / folio number, PAN and mobile number at [investorrelations@kfintech.com](mailto:investorrelations@kfintech.com) by Monday, September 18, 2023, up to 5:00 p.m. IST. The members may send their questions in advance within the stipulated period to enable the management to respond to these queries objectively

at the AGM. Only those members who have registered themselves as a speaker will be allowed to express their views / ask questions during the AGM.

14. When a pre-registered speaker is invited to speak at the meeting, but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to be connected to a device with a video / camera along with good internet speed.
15. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

#### PROCEDURE FOR INSPECTION OF DOCUMENTS

16. The Register of Directors and Key Managerial Personnel and their shareholding, maintained as per Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained as per Section 189 of the Act, Certificate from the Secretarial Auditor of the Company as per Regulation 13 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, and other documents referred to in the Notice will be available for inspection electronically by the members during the AGM. Members seeking to inspect such documents may send a request on the E-mail id [investorrelations@kfintech.com](mailto:investorrelations@kfintech.com)
17. The documents referred to in the Notice will also be available for inspection during business hours (9:00 a.m. IST to 5:00 p.m. IST) on all working days except Saturday, without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents may send a request on the E-mail id [investorrelations@kfintech.com](mailto:investorrelations@kfintech.com) at least one working day before the date on which they intend to inspect the document.

#### GENERAL

18. The Board of Directors has appointed Mr. S. N. Ananthasubramanian, Practising Company Secretary (FCS: 4206, COP No. 1774), or failing him, Mr. S. N. Viswanathan, Practising Company Secretary (ACS: 61955, COP No. 24335), partners of M/s. S. N. Ananthasubramanian & Co., Company Secretaries, as the Scrutinizer, for conducting the e-voting process in a fair and transparent manner.
19. The Chairperson or the authorized person shall declare the e-voting results, along with the consolidated Scrutinizer's report within the timeframe prescribed in the Act and the LODR Regulations. The resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.

20. The results declared along with the Scrutinizer's report will be placed on the website of the Company at [www.kfintech.com](http://www.kfintech.com) and shall also be communicated to the stock exchanges as per the LODR Regulations.
21. Mr. Srinivas Peddada (DIN: 08755240) and Mr. Jaideep Hansraj (DIN: 02234625) are interested in ordinary resolutions set out in Item Nos. 2 and 3 respectively of the Notice. The relatives of Mr. Srinivas Peddada and Mr. Jaideep Hansraj may be deemed to be interested in the said resolutions to the extent of their shareholding interest, if any, in the Company. Save and except the above none of the other Directors / Key Managerial Personnel of the Company / their relatives are interested, in any way, financially or otherwise, in the ordinary resolutions set out in Item Nos. 2 and 3 of the Notice.

### STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to Ordinary Business No. 4 and Special Business mentioned in the Notice.

**Item No. 4:** Appointment of M/s. B S R and Co, as the Statutory Auditors of the Company

M/s. B S R & Associates LLP were appointed as the Statutory Auditor of the Company by the Board of Directors ("**Board**") and the members, till the financial year 2022-23, and they will be completing their term of appointment at the conclusion of this annual general meeting.

The Board, based on the recommendation of the Audit Committee, has recommended the appointment of M/s. B S R and Co, for a term of five consecutive years to hold office from the conclusion of this annual general meeting until the conclusion of 11<sup>th</sup> annual general meeting at remuneration of ₹ 61 Lakh (Rupees Sixty One Lakh) payable in one or more tranches plus applicable taxes, and reimbursement of reasonable out-of-pocket expenses for the financial year ending March 31, 2024. The remuneration for the balance period will be decided by the Board.

M/s. B S R and Co ("**the firm**") was constituted on September 01, 2007, as a partnership firm having firm registration no as 128510W. The registered office of the firm is at 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai – 400063. The firm is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India. The firm is registered in Mumbai, Gurgaon, Bengaluru, and Hyderabad. The firm together with its member firms has around 4000+ staff and 200+ Partners.

The Company has received the consent and eligibility from

M/s. B S R and Co, confirming that they are eligible for re-appointment as per the Companies Act, 2013.

It is proposed to seek the approval of the members of the Company by way of an ordinary resolution for the appointment of M/s. B S R and Co, as the Statutory Auditor of the Company for term of five (5) consecutive years, *i.e.*, from the conclusion of this Annual General Meeting until the conclusion of the 11<sup>th</sup> Annual General Meeting, as specified in the resolution set out at Item No. 4 of the Notice.

Considering the experience, and expertise of M/s. B S R and Co, and based on the recommendation of the Audit Committee, the Board has recommended the appointment of M/s. B S R and Co, as the Statutory Auditors of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the ordinary resolution set out at Item No. 4 of the Notice.

The Board commends the ordinary resolution set out at Item No. 4 of the Notice for approval by the members.

**Item No. 5:** Payment of remuneration to Mr. Vishwanathan Mavila Nair (DIN: 02284165), Non-Executive Director and Chairperson, in excess of the limits prescribed in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Mr. Vishwanathan Mavila Nair was originally appointed as an additional Director (Non-Executive, Nominee) on the Board of the Company by the Board of Directors ("**Board**") with effect from November 22, 2018. The members of the Company had at their extraordinary general meeting held on March 07, 2019, approved the said appointment. Further, the Board approved the change in designation of Mr. Vishwanathan Mavila Nair's from Non-Executive Nominee Director to Non-Executive Director with effect from October 01, 2021, for a term of four years, and he holds office as a Non-Executive Director up to September 30, 2025. The members of the Company had at their extraordinary general meeting held on October 25, 2021, approved the said change in designation.

The members may note that the remuneration payable to Mr. Vishwanathan Mavila Nair was latest approved by the members at their extraordinary general meeting held on March 24, 2022. The said remuneration payable was by way of commission or otherwise, of an amount not exceeding ₹ 1,50,00,000/- (Rupees One Crore Fifty Lakh only) per annum and stock options not exceeding the limits specified in KFin Employee Stock Option Plan 2020 or any other Plan or Scheme as may be approved by the Board from time to time as the perquisite value arising out of exercise of such stock options (already granted or as may be

granted from time to time) and other remuneration may be in excess to 1% of the net profit of the Company computed in the manner stipulated in Section 198 of the Act, in addition to, the sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors and / or other meetings, if any, being paid to the Non-Executive Directors.

The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited with effect from December 29, 2022, and as per Regulation 17(6)(ca) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**"), approval of shareholders by special resolution is required, in case the annual remuneration payable to a single Non-Executive Director exceeds fifty per cent of the aggregate remuneration payable to all the Non-Executive Directors.

It is proposed to seek the approval of the members of the Company by way of special resolution for the payment of remuneration to Mr. Vishwanathan Mavila Nair, Non-Executive Director and Chairperson, in excess of the limits prescribed in the LODR Regulations, for the financial year ended March 31, 2023, and for the financial year ending March 31, 2024.

Mr. Vishwanathan Mavila Nair is interested in the special resolution set out at Item No. 5 of the Notice with respect to his remuneration. The relatives of Mr. Vishwanathan Mavila Nair may be deemed to be interested in the said resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the special resolution set out at Item No. 5 of the Notice.

The Board commends the special resolution set out at Item No. 5 of the Notice for approval by the members.

**Item No. 6:** Appointment of Mr. Alok Chandra Misra (DIN: 01542028) as a Nominee Director of the Company

Based on the letter dated July 25, 2023, from General Atlantic Singapore Fund Pte. Ltd., ("**GASF**") nominating Mr. Alok Chandra Misra as its Nominee Director on the Board of Directors of the Company as per Article No. 136 of Part B of the Articles of Association of the Company, the Board of Directors of the Company had appointed Mr. Alok Chandra Misra as an Additional Director (Non-Executive, Nominee) with effect from July 28, 2023 to hold office till the date of the ensuing Annual General Meeting of the Company.

Mr. Alok Chandra Misra has consented to be a Director of the Company and has also submitted the necessary disclosures and declarations as required for such appointment. Mr. Alok Chandra Misra is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 ("**Act**"). The Company has received notice under Section 160 of the Act from Mr. Alok Chandra Misra, signifying his candidature for appointment as a Director of the Company.

It is proposed to seek the approval of the members of the Company by way of an ordinary resolution for the appointment of Mr. Alok Chandra Misra as a Nominee Director of the Company.

In accordance with the Act, LODR Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, details of Mr. Alok Chandra Misra forms part of this Notice.

Mr. Alok Chandra Misra is interested in the ordinary resolution set out at Item No. 6 with respect to his appointment. The relatives of Mr. Alok Chandra Misra may be deemed to be interested in the said resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board commends the special resolution set out at Item No. 6 of the Notice for approval by the members.

By Order of the Board of Directors of  
KFin Technologies Limited

**Registered Office:**  
Selenium, Tower B,  
Plot No. 31 & 32,  
Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad, Rangareddi,  
Telangana – 500032, India

**Alpana Kundu**  
Company Secretary and  
Compliance Officer  
ICSI M. No.: F10191

CIN: L72400TG2017PLC117649  
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+91 40 7961 5565

August 28, 2023 | Mumbai

## Information as per Regulation 36 of the LODR Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, on Directors retiring by rotation and recommended for re-appointment / Director recommended for appointment

### Mr. Srinivas Peddada

#### Brief Resume, Qualifications and Experience

Mr. Srinivas Peddada is a Non-Executive Nominee Director of our Company. He holds a bachelor's degree in technology (mechanical engineering) from J.N.T.U College of Engineering, Jawaharlal Nehru Technological University, Andhra Pradesh, a master's degree in engineering from the Birla Institute of Technology and Science, Pilani, Rajasthan and a master's degree in business administration from Rensselaer Polytechnic Institute, Troy, New York. He is a certified IBM IT architect professional and a certified project management professional from Project Management Institute, Pennsylvania. He has over 15 years of experience in information and technology. He was previously associated as a chief technology officer (level 10) with Dun & Bradstreet Predictive Sciences & Analytical Private Limited, as a chief information officer with Dun & Bradstreet South Asia Middle East Ltd., as a chief information officer with Bharat Financial Inclusion Limited (formerly known as IndusInd Financial Inclusion Limited), as an information technology specialist at IBM Corporation, as a chief technology officer at AIG Systems Solutions (Pvt) Ltd., USA, as senior vice president – information technology (head – IT) at SKS Microfinance Limited and as a vice president (information technology) at GE Countrywide Consumer Financial Services Ltd. He is also a member of board of governors of Indian Institute of Information Technology Sri City, Chittoor (an institute of national importance set up under an act of parliament).

**Age:** 55 years

**Nature of expertise in specific functional areas:** Business and Strategic Leadership, Business Strategies and Mergers & Amalgamations, Information Technology, Global Business Exposure, Board Governance and Regulatory Compliance.

**Date of first appointment on the Board, No. of meetings of the Board attended during the year, remuneration last drawn and shareholding in the Company:** Mr. Srinivas Peddada was first appointed on the Board on July 02, 2020. The details pertaining to the number of meetings attended during the year, his remuneration, and shareholding in the Company, are provided in the Corporate Governance Report.

**Terms and conditions of appointment and remuneration sought to be paid:** As per the resolution in Item No. 2 of this Notice, read with the resolution for approval of remuneration

to Mr. Srinivas Peddada, passed by the members at their extraordinary general meeting held on March 24, 2022.

**Disclosure of relationships between other Directors and Key Managerial Personnel:** None

**Listed entities (other than the KFinTech) in which the Director holds directorship and Committee membership:** None

**Listed entities from which the Director has resigned in the past three years:** None

### Mr. Jaideep Hansraj

#### Brief Resume, Qualifications and Experience

Mr. Jaideep Hansraj is a Non-Executive Nominee Director of our Company. He has been associated with our Company since November 10, 2021. He has attended a three year bachelor's course in commerce (honours) from the University of Calcutta. He has over 28 years of experience in retail operations in the banking and securities sectors. He is associated as chief executive officer and managing director with Kotak Securities Limited. He was previously associated with Kotak Mahindra Bank Limited.

**Age:** 57 years

**Nature of expertise in specific functional areas:** Business Strategies and Mergers & Amalgamations Global Business Exposure, Industry Expertise, Financial Expertise, Board Governance and Regulatory Compliance.

**Date of first appointment on the Board, No. of meetings of the Board attended during the year, remuneration last drawn and shareholding in the Company:** Mr. Jaideep Hansraj was first appointed on the Board on November 10, 2021. The details pertaining to the number of meetings attended during the year, his remuneration, and shareholding in the Company, are provided in the Corporate Governance Report.

**Terms and conditions of appointment and remuneration sought to be paid:** As per the resolution in Item No. 3 of this Notice

**Disclosure of relationships between other Directors and Key Managerial Personnel:** None

**Listed entities (other than the KFinTech) in which the Director holds directorship and Committee membership:** None

**Listed entities from which the Director has resigned in the past three years:** None

## Mr. Alok Chandra Misra

### Brief Resume, Qualifications and Experience

Mr. Alok Chandra Misra is the Chief Operating Officer of General Atlantic's India office and an Operating Partner. In this role, he provides strategic support and financial expertise to the firm's investment teams and portfolio Companies with a focus on the India & Asia-Pacific region. Before joining General Atlantic in 2013, Alok served as Group Chief Financial Officer at WNS Group, where he helped lead the Company through significant expansion and transformation. Prior to that, he was Group Chief Financial Officer of Mphasis BFL Group (now part of the Hewlett-Packard Company) and served in a number of accounting and finance roles at other firms, including I.T.C. Limited and PwC. Alok is a fellow member of the Institute of Chartered Accountants of India.

**Age:** 56 years

**Nature of expertise in specific functional areas:** Business and Strategic Leadership, Business Strategies and Mergers & Amalgamations, Global Business Exposure, Industry expertise, Financial expertise, Board Governance and Regulatory Compliance.

### Date of first appointment on the Board, No. of meetings of the Board attended during the year, remuneration last drawn and shareholding in the Company:

Mr. Alok Chandra Misra was first appointed on the Board on July 28, 2023. The details pertaining to the number of meetings attended during the year, his remuneration, and shareholding in the Company, are not applicable as he is appointed in the current financial year.

**Terms and conditions of appointment and remuneration sought to be paid:** As per the resolution in Item No. 6 of this Notice.

**Disclosure of relationships between other Directors and Key Managerial Personnel:** None

**Listed entities (other than the Kfintech) in which the Director holds directorship and Committee membership:** None

**Listed entities from which the Director has resigned in the past three years:** None

# Corporate Information

## Corporate Identity Number

L72400TG2017PLC117649

## Registered and Corporate Office

Selenium, Tower B, Plot No. 31 & 32,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad, Telangana – 500032, India  
Email id: investorrelations@kfintech.com  
Telephone no.: +91 40 7961 5565

## Chairperson

Mr. Vishwanathan Mavila Nair

## Managing Director and Chief Executive Officer

Mr. Venkata Satya Naga Sreekanth Nadella

## Independent Directors

Mr. Prashant Saran  
Ms. Sonu Halan Bhasin  
Mr. Kaushik Mazumdar

## Non-Executive Nominee Directors

Mr. Sandeep Achyut Naik (till July 25, 2023)  
Mr. Shantanu Rastogi  
Mr. Srinivas Peddada  
Mr. Jaideep Hansraj  
Mr. Alok Chandra Misra (w.e.f. July 28, 2023)

## Chief Financial Officer

Mr. Vivek Narayan Mathur

## Company Secretary and Compliance Officer

Ms. Alpana Kundu

## Statutory Auditor

B S R & Associates LLP

## Secretarial Auditor

D V Rao & Associates

## Internal Auditor

Ernst & Young LLP

## Bankers

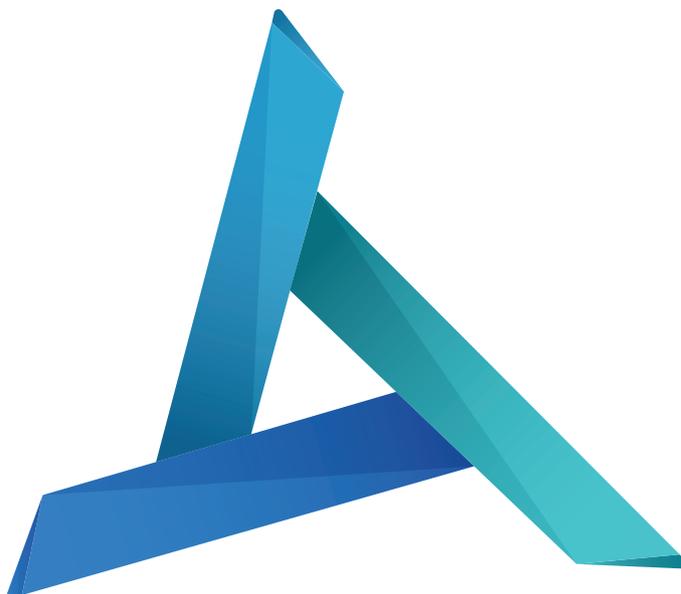
The Hongkong and Shanghai Banking Corporation Limited  
Axis Bank Limited  
Kotak Mahindra Bank Limited  
State Bank of India  
ICICI Bank Limited

## Website

[www.kfintech.com](http://www.kfintech.com)

## Registrar and Share Transfer Agent

Bigshare Services Private Limited  
Office No: S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road, Andheri (East),  
Mumbai – 400093, Maharashtra, India  
Email id: investor@bigshareonline.com  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)





Selenium, Tower-B, Plot No 31 & 32,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad, Rangareddi, Telangana India - 500 032