

January 25, 2024

CS&amp;G/STX/MQ2024/11

**1) National Stock Exchange of India Limited**Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E),  
Mumbai – 400 051

Scrip Symbol: KFINTECH

**2) BSE Limited**Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

Scrip Code: 543720

**Sub. : Outcome of Board Meeting and Submission of Standalone and Consolidated Unaudited Financial Results****Ref. : Regulations 30 and 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”)**

Dear Sir / Madam,

Further to our letter reference no. CS&G/STX/MQ2024/04 dated January 08, 2024, pursuant to Regulation 30 and other applicable provisions of the LODR Regulations, this is to inform that the Board of Directors of the Company at its meeting held today *i.e.*, January 25, 2024, has *inter-alia* approved the standalone and consolidated unaudited financial results of the Company for the quarter and nine months ended December 31, 2023.

The Board meeting commenced at 03:00 p.m. and concluded at 05:15 p.m.

Pursuant to Regulation 33 and other applicable provisions of the LODR Regulations, please find enclosed herewith the standalone and consolidated unaudited financial results of the Company for the quarter and nine months ended December 31, 2023, along with the limited review reports thereon issued by B S R and Co, Chartered Accountants, Statutory Auditors of the Company.

This is for your information and records.

Thanking you,

Yours faithfully,

**For KFin Technologies Limited****Alpana Kundu****Company Secretary and Compliance Officer**

ICSI Membership No.: F10191

*Encl.: a/a***KFin Technologies Limited**

(Formerly known as KFin Technologies Private Limited)

**Registered & Corporate Office:**Selenium Building, Tower-B, Plot No- 31 & 32, Financial District, Nanakramguda,  
Serilingampally, Hyderabad, Rangareddi, Telangana, India, 500032.**CIN: L72400TG2017PLC117649**

compliance.corp@kfintech.com

**Limited Review Report on unaudited consolidated financial results of KFin Technologies Limited (formerly known as KFin Technologies Private Limited) for the quarter ended 31 December 2023 and year to date results for the period from 01 April 2023 to 31 December 2023 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To the Board of Directors of KFin Technologies Limited (formerly known as KFin Technologies Private Limited)**

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of KFin Technologies Limited (formerly known as KFin Technologies Private Limited) (hereinafter referred to as “the Parent”), and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”) and its share of the net loss after tax and total comprehensive loss of its associate for the quarter ended 31 December 2023 and year to date results for the period from 01 April 2023 to 31 December 2023 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).
2. This Statement, which is the responsibility of the Parent’s management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

S.No.	Name of the component	Country	Relationship
1	KFin Technologies (Bahrain) W.L.L.	Bahrain	Subsidiary
2	KFin Technologies (Malaysia) SDN. BHD.	Malaysia	Subsidiary
3	KFin Services Private Limited	India	Subsidiary
4	Hexagram Fintech Private Limited	India	Subsidiary

Limited Review Report (*Continued*)

## KFin Technologies Limited (formerly known as KFin Technologies Private Limited)

5	Hexagram Fintech SDN. BHD.	Malaysia	Subsidiary
6	KFin Global Technologies (IFSC) Limited	India	Subsidiary
7	WebileApps (India) Private Limited (w.e.f. 19 April 2023)	India	Subsidiary
8	WebileApps Technology Services Private Limited (w.e.f. 19 April 2023)	India	Subsidiary
9	Fintech Products and Solutions (India) Private Limited (w.e.f. 22 March 2023)	India	Associate

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. **Emphasis of matter paragraph**

- i. We draw attention to Note 3 of the statement of unaudited consolidated financial results for the quarter and nine months period ended 31 December 2023 regarding the amalgamation of Karvy Computershare Private Limited (KCPL) and the 'RTA Undertaking' of Karvy Consultants Limited (KCL) into the Parent 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 Parent Company to the shareholders of KCL and cost of investment in equity shares of KCPL) amounting to INR 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 Parent 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 Parent Company obtained approval of NCLT for not amortising goodwill with effect from 01 April 2021.

- ii. We draw attention to Note 4 of the statement of unaudited consolidated financial results for the quarter and nine months period ended 31 December 2023, 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 Parent 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

**Limited Review Report (Continued)**

**KFin Technologies Limited (formerly known as KFin Technologies Private Limited)**

account through an off-market transaction without any authorisation from the Client. The Board of Directors of the Parent 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 issued in October 2021, by INR 300 million, 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 Parent Company in the financial year 2021-22 of INR 4.08 million was also transferred back to the Client.

The Parent Company has recognised an amount of INR 76.96 million as a provision as of 31 December 2023 in the statement of unaudited consolidated financial results 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 Parent Company has measured the said provision at its best estimate. The Parent Company will initiate proceedings against the concerned parties, including certain minority shareholders, for recovery of the amount paid and payable by the Parent Company to the Client in connection with this matter upon completion of final settlement with the Client.

Our conclusion is not modified in respect of these matters.

7. We did not review the interim financial results of six subsidiaries included in the Statement, whose interim financial results reflect total revenues (before consolidation adjustments) of INR 129.69 million and INR 371.02 million, total net profit after tax (before consolidation adjustments) of INR 16.43 million and INR 14.63 million and total comprehensive income (before consolidation adjustments) of INR 16.82 million and INR 14.11 million, for the quarter ended 31 December 2023 and for the period from 01 April 2023 to 31 December 2023 respectively, as considered in the Statement. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Parent's management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter.

8. The Statement also includes the Group's share of net loss after tax of INR 1.67 million and INR 9.77 million and total comprehensive loss of INR 1.67 million and INR 9.77 million, for the quarter ended 31 December 2023 and for the period from 01 April 2023 to 31 December 2023 respectively, as considered in the Statement, in respect of one associate, based on its interim financial results which have not been reviewed. According to the information and explanations given to us by the management, these interim financial results are not material to the Group.

B S R and Co

**Limited Review Report (Continued)**

**KFin Technologies Limited (formerly known as KFin Technologies Private Limited)**

Our conclusion is not modified in respect of this matter.

For **B S R and Co**

*Chartered Accountants*

Firm's Registration No.:128510W

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BAJAJ**

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**Amit Kumar Bajaj**

*Partner*

Hyderabad

25 January 2024

Membership No.: 218685

UDIN:24218685BKGPV3325

KFin Technologies Limited (formerly known as KFin Technologies Private Limited)

CIN: L72400TG2017PLC117649

Registered office address: Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana - 500032

Statement of unaudited consolidated financial results for the quarter and nine months period ended December 31, 2023

(₹. in millions)

SL No.	Particulars	Consolidated					
		Quarter ended			Nine months period ended		For the year ended
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	<b>Income</b>						
1	Revenue from operations	2,187.17	2,089.72	1,881.26	6,091.92	5,368.94	7,200.27
2	Other income	64.39	63.00	62.63	180.55	112.58	174.94
	<b>Total income</b>	<b>2,251.56</b>	<b>2,152.72</b>	<b>1,943.89</b>	<b>6,272.47</b>	<b>5,481.52</b>	<b>7,375.21</b>
	<b>Expenses</b>						
	Employee benefits expense	830.88	759.76	725.63	2,346.35	2,217.91	2,894.27
	Finance costs	11.69	32.04	26.41	73.22	78.78	106.44
	Depreciation, amortisation and impairment expense	134.05	125.70	128.25	384.07	354.24	466.68
	Other expenses	377.31	393.30	348.61	1,125.65	1,009.01	1,325.64
	<b>Total expenses</b>	<b>1,353.93</b>	<b>1,310.80</b>	<b>1,228.90</b>	<b>3,929.29</b>	<b>3,659.94</b>	<b>4,793.03</b>
4	<b>Profit before share of loss of associate and tax (1+2-3)</b>	<b>897.63</b>	<b>841.92</b>	<b>714.99</b>	<b>2,343.18</b>	<b>1,821.58</b>	<b>2,582.18</b>
5	Share of loss of associate (net of tax)	(3.18)	(4.80)	-	(13.08)	-	-
6	<b>Profit before tax (4+5)</b>	<b>894.45</b>	<b>837.12</b>	<b>714.99</b>	<b>2,330.10</b>	<b>1,821.58</b>	<b>2,582.18</b>
7	Tax expense	226.19	223.33	181.23	614.30	434.37	624.82
8	<b>Profit for the period/ year (6-7)</b>	<b>668.26</b>	<b>613.79</b>	<b>533.76</b>	<b>1,715.80</b>	<b>1,387.21</b>	<b>1,957.36</b>
9	<b>Other comprehensive income ("OCI")</b>						
	<i>A. Items that will not be reclassified subsequently to statement of profit or loss</i>						
	Remeasurement of defined benefit plans	-	-	-	21.18	10.86	(6.64)
	Income tax relating to remeasurement of defined benefit plans	-	-	-	(5.33)	(2.73)	1.67
	<i>B. Items that will be subsequently reclassified to statement of profit or loss</i>						
	Exchange differences on translation of foreign operations	1.69	1.20	4.82	(1.35)	5.71	4.99
10	<b>Total comprehensive income for the period/ year (8+9)</b>	<b>669.95</b>	<b>614.99</b>	<b>538.58</b>	<b>1,730.30</b>	<b>1,401.05</b>	<b>1,957.38</b>
11	<b>Earnings per share (Face value of ₹. 10 per share fully paid) in ₹.</b>						
	Basic *	3.92	3.62	3.19	10.09	8.28	11.66
	Diluted *	3.88	3.58	3.15	10.00	8.20	11.52
12	Paid up equity share capital - Face value of ₹.10 per share	1,706.46	1,702.54	1,675.69	1,706.46	1,675.69	1,692.29
13	Other equity						7,009.93

(\* Not annualised for the quarter and nine months period ended)

for and on behalf of the Board of Directors of

**KFin Technologies Limited**

CIN: L72400TG2017PLC117649

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**Sreekanth Nadella**

Managing Director and Chief Executive Officer

DIN: 08659728

Place: Hyderabad

Date: January 25, 2024

Segment information

Sl. No.	Particulars	Consolidated					
		Quarter ended			Nine months period ended		For the year ended
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Segment revenue</b>						
	Domestic mutual fund investor solutions	1,515.39	1,430.09	1,295.91	4,250.89	3,704.08	4,972.25
	Issuer solutions	375.18	345.75	308.32	959.08	856.98	1,132.96
	International and other investor solutions	215.97	224.67	168.38	615.45	471.96	657.35
	Global business services	80.63	89.21	108.65	266.50	335.92	437.71
	<b>Total revenue</b>	<b>2,187.17</b>	<b>2,089.72</b>	<b>1,881.26</b>	<b>6,091.92</b>	<b>5,368.94</b>	<b>7,200.27</b>
2	<b>Segment results</b>						
	Domestic mutual fund investor solutions	881.77	842.74	688.97	2,458.74	1,888.20	2,613.10
	Issuer solutions	210.88	159.22	140.83	457.40	369.78	485.91
	International and other investor solutions	(6.40)	12.22	(4.84)	(5.79)	(28.08)	(7.67)
	Global business services	45.26	52.95	67.75	161.94	209.28	277.23
	<b>Total</b>	<b>1,131.51</b>	<b>1,067.13</b>	<b>892.71</b>	<b>3,072.29</b>	<b>2,439.18</b>	<b>3,368.57</b>
	<b>Unallocated (expenses)/ income</b>						
	(a) Unallocable expenses	(289.76)	(260.97)	(213.94)	(849.52)	(651.40)	(854.89)
	(b) Finance costs	(11.69)	(32.04)	(26.41)	(73.22)	(78.78)	(106.44)
	(c) Other income	64.39	63.00	62.63	180.55	112.58	174.94
	<b>Profit Before Tax</b>	<b>894.45</b>	<b>837.12</b>	<b>714.99</b>	<b>2,330.10</b>	<b>1,821.58</b>	<b>2,582.18</b>
3	Tax expense	226.19	223.33	181.23	614.30	434.37	624.82
4	<b>Profit for the period/ year</b>	<b>668.26</b>	<b>613.79</b>	<b>533.76</b>	<b>1,715.80</b>	<b>1,387.21</b>	<b>1,957.36</b>
5	<b>Segment assets</b>						
	Domestic mutual fund investor solutions	6,711.68	6,754.11	6,082.22	6,711.68	6,082.22	5,848.72
	Issuer solutions	1,000.35	996.30	898.45	1,000.35	898.45	872.92
	International and other investor solutions	1,319.45	1,268.21	973.61	1,319.45	973.61	989.41
	Global business services	177.38	161.92	159.74	177.38	159.74	155.76
	<b>Total</b>	<b>9,208.86</b>	<b>9,180.54</b>	<b>8,114.02</b>	<b>9,208.86</b>	<b>8,114.02</b>	<b>7,866.81</b>
	Unallocated	4,325.48	4,988.53	3,188.50	4,325.48	3,188.50	4,646.26
	<b>Total</b>	<b>13,534.34</b>	<b>14,169.07</b>	<b>11,302.52</b>	<b>13,534.34</b>	<b>11,302.52</b>	<b>12,513.07</b>
6	<b>Segment liabilities</b>						
	Domestic mutual fund investor solutions	521.76	506.14	335.51	521.76	335.51	351.59
	Issuer solutions	87.50	107.30	94.34	87.50	94.34	72.83
	International and other investor solutions	57.77	58.30	20.88	57.77	20.88	31.35
	Global business services	24.86	28.86	34.75	24.86	34.75	17.81
	<b>Total</b>	<b>691.89</b>	<b>700.60</b>	<b>485.48</b>	<b>691.89</b>	<b>485.48</b>	<b>473.58</b>
	Unallocated	2,217.38	3,573.35	3,254.63	2,217.38	3,254.63	3,337.27
	<b>Total</b>	<b>2,909.27</b>	<b>4,273.95</b>	<b>3,740.11</b>	<b>2,909.27</b>	<b>3,740.11</b>	<b>3,810.85</b>

(a) The Group is engaged in following business segments: Domestic mutual fund investor solutions, Issuer solutions, International and other investor solutions and Global business services. Based on the "Management approach" as defined in Ind AS 108 - 'Operating Segments', the Chief Operating Decision Maker ('CODM') evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. The accounting principles used in the preparation of the financial results are consistently applied to record revenue and expenditure in individual segments. Previous period figures have been regrouped/ reclassified to conform to the current period's presentation.

(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.

for and on behalf of the Board of Directors of

**KFin Technologies Limited**

CIN: L72400TG2017PLC117649

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**Sreekanth Nadella**

Managing Director and Chief Executive Officer

DIN: 08659728

Place: Hyderabad

Date: January 25, 2024



## **KFin Technologies Limited (formerly known as KFin Technologies Private Limited)**

### **Notes:**

1. The above consolidated financial results of KFin Technologies Limited ("the Parent Company"/ "the Company"), its subsidiaries (the Company and its subsidiaries together referred to as "the Group") and its associate have been prepared in accordance with and comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued there under and in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended.

2. The above consolidated financial results have been reviewed and recommended by the Audit Committee at its meeting held on January 25, 2024. The Board of Directors at its meeting held on January 25, 2024 have approved the above results and taken them on record. The statutory auditors have expressed an unmodified review conclusion on these results.

3. The Board of Directors of the Parent Company in their meeting held on August 02, 2017 had 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 was approved by the National Company Law Tribunal vide their order dated October 23, 2018 which was filed with the Registrar of Companies on November 17, 2018. Therefore, the Scheme became effective on November 17, 2018. As per the Scheme, the 'RTA undertaking' of KCL and KCPL were amalgamated into the Company with effect from November 17, 2018 and the amalgamation was accounted for during the year ended March 31, 2019.

As specified in the Scheme, the amalgamation had been accounted for in accordance with the Purchase method of accounting as per Accounting Standard 14 on 'Accounting for Amalgamations'. All the assets and liabilities of the RTA Undertaking of KCL and KCPL had been recorded at their 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 ₹. 6,694.10 million had been recorded as goodwill to be amortised over a period of 10 years. This 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 different from the accounting as per Ind AS 103 on 'Business Combinations'.

The Board of Directors of the Group at its meeting held on September 01, 2021, approved the application filed with National Company Law Tribunal ('NCLT application') on October 28, 2021 for discontinuing amortisation of goodwill. Pursuant to the approval of the NCLT application via order dated March 02, 2022, the amortisation of goodwill was discontinued with effect from April 01, 2021. As per Ind AS 36- Impairment of Assets, the Group continues to annually test the Goodwill for impairment.

4. The pre-amalgamated Company (Refer in Note 3 above) was the Registrar and Transfer Agent (RTA) of a past Client ("the Client") until April 05, 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 Parent 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 Parent Company. The Board of Directors of the Parent 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 issued in October 2021, by ₹. 300.00 million. The dividend received on such shares by the Parent 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 November 15, 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 Parent Company after considering legal advice, approved payment (based on an estimation of potential losses that may be suffered by the Client) by the Parent 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 Parent 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 Parent Company has made a provision of ₹. 76.96 million as at December 31, 2023. Pending the final settlement of terms to be agreed with the Client, the Management has measured the provision at its best estimate.

5. During nine-months period ended December 31, 2023, 1,416,889 number of employee stock options were exercised and allotted.

6. The Board of Directors of the Parent Company approved a proposal for buy-back of 1,000 Non-convertible Redeemable Preference Shares ("RPS") of the Parent Company having face value of ₹. 200 each fully paid up at a buy back price of ₹. 1,340,200.001 per RPS, which is inclusive of all taxes including buy-back tax required to be paid by the Parent Company aggregating to ₹. 1,340,200.001 ("Buyback Consideration"), constituting 12.10% of the existing paid-up capital and free reserves, based on the interim unaudited standalone financial information as at and for the quarter ended 30 June 2023 at its meeting held on 27 September 2023, in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013, as amended (the "Act") read with with Rule 17 of the Companies (Share Capital and Debentures) Rules, 2014 ("Rules"). This was approved by Parent Company's shareholders at the Extra-ordinary General Meeting ('EGM') held on 23 October 2023. The Parent Company has completed the buy-back process on 30 November 2023.

7. These consolidated financial results along with the review report of the statutory auditors of the Company are being filed with the National Stock Exchange of India Limited (NSE) and BSE Limited and are also available on the Company's website.

*for and on behalf of the Board of Directors of*

**KFin Technologies Limited**

CIN: L72400TG2017PLC117649

Digitally signed by VENKATA

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NADELLA

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**Sreekanth Nadella**

*Managing Director and Chief Executive Officer*

DIN: 08659728

Place: Hyderabad

Date: January 25, 2024



**Limited Review Report on unaudited standalone financial results of KFin Technologies Limited (formerly known as KFin Technologies Private Limited) for the quarter ended 31 December 2023 and year to date results for the period from 01 April 2023 to 31 December 2023 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To the Board of Directors of KFin Technologies Limited (formerly known as KFin Technologies Private Limited)**

1. We have reviewed the accompanying Statement of unaudited standalone financial results of KFin Technologies Limited (formerly known as KFin Technologies Private Limited) (hereinafter referred to as “the Company”) for the quarter ended 31 December 2023 and year to date results for the period from 01 April 2023 to 31 December 2023 (“the Statement”).
2. This Statement, which is the responsibility of the Company’s management and approved by its Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”). Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. **Emphasis of matter paragraph**
  - i. We draw attention to Note 3 of the statement of unaudited standalone financial results for the quarter and nine months period ended 31 December 2023 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 INR 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

**Limited Review Report (Continued)**

**KFin Technologies Limited (formerly known as KFin Technologies Private Limited)**

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.

- ii. We draw attention to Note 4 of the statement of unaudited standalone financial results for the quarter and nine months period ended 31 December 2023, 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 issued in October 2021, by INR 300 million, 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 Company in the financial year 2021-22 of INR 4.08 million was also transferred back to the Client.

The Company has recognised an amount of INR 76.96 million as a provision as of 31 December 2023 in the statement of unaudited standalone financial results 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 conclusion is not modified in respect of these matters.

For **B S R and Co**

*Chartered Accountants*

Firm’s Registration No.:128510W

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**Amit Kumar Bajaj**

*Partner*

Hyderabad  
25 January 2024

Membership No.: 218685  
UDIN:24218685BKGPN9240

KFin Technologies Limited (formerly known as KFin Technologies Private Limited)

CIN: L72400TG2017PLC117649

Registered office address: Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana - 500032

Statement of unaudited standalone financial results for the quarter and nine months period ended December 31, 2023

(₹. in millions)

Sl. No.	Particulars	Standalone					
		Quarter ended			Nine months period ended		For the year ended
		December 31, 2023 (Unaudited)	September 30, 2023 (Unaudited)	December 31, 2022 (Unaudited)	December 31, 2023 (Unaudited)	December 31, 2022 (Unaudited)	March 31, 2023 (Audited)
	<b>Income</b>						
1.	Revenue from operations	2,105.35	2,004.17	1,812.40	5,864.90	5,185.69	6,964.50
2.	Other income	62.40	61.42	61.71	175.64	110.06	170.40
	<b>Total income</b>	<b>2,167.75</b>	<b>2,065.59</b>	<b>1,874.11</b>	<b>6,040.54</b>	<b>5,295.75</b>	<b>7,134.90</b>
	<b>Expenses</b>						
	Employee benefits expense	767.56	703.77	679.94	2,168.48	2,084.65	2,723.09
	Finance costs	11.56	31.73	26.35	72.15	78.52	106.12
	Depreciation, amortisation and impairment expense	122.55	115.14	116.84	351.88	330.50	434.48
	Other expenses	380.07	370.27	335.37	1,102.36	975.61	1,277.11
	<b>Total expenses</b>	<b>1,281.74</b>	<b>1,220.91</b>	<b>1,158.50</b>	<b>3,694.87</b>	<b>3,469.28</b>	<b>4,540.80</b>
4.	<b>Profit before tax (1+2-3)</b>	<b>886.01</b>	<b>844.68</b>	<b>715.61</b>	<b>2,345.67</b>	<b>1,826.47</b>	<b>2,594.10</b>
5.	Tax expense	227.91	224.44	182.23	618.91	433.83	631.57
6.	<b>Profit for the period/ year (4-5)</b>	<b>658.10</b>	<b>620.24</b>	<b>533.38</b>	<b>1,726.76</b>	<b>1,392.64</b>	<b>1,962.53</b>
7.	<b>Other comprehensive income ("OCI")</b>						
	<i>A. Items that will not be reclassified subsequently to statement of profit or loss</i>						
	Remeasurement of defined benefit plans	-	-	-	21.18	11.48	(6.39)
	Income tax relating to remeasurement of defined benefit plans	-	-	-	(5.33)	(2.89)	1.61
8.	<b>Total comprehensive income for the period/ year (6+7)</b>	<b>658.10</b>	<b>620.24</b>	<b>533.38</b>	<b>1,742.61</b>	<b>1,401.23</b>	<b>1,957.75</b>
9.	<b>Earnings per share (Face value of ₹. 10 per share fully paid) in ₹.</b>						
	Basic *	3.86	3.65	3.18	10.16	8.31	11.69
	Diluted *	3.82	3.61	3.15	10.07	8.24	11.55
10.	Paid up equity share capital - Face value of ₹.10 per share	1,706.46	1,702.54	1,675.69	1,706.46	1,675.69	1,692.29
11.	Other equity						7,024.33

(\* Not annualised for the quarter and nine months period ended)

for and on behalf of the Board of Directors of

KFin Technologies Limited

CIN: L72400TG2017PLC117649

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NADELLA

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Sreekanth Nadella

Managing Director and Chief Executive Officer

DIN: 08659728

Place: Hyderabad

Date: January 25, 2024

## **KFin Technologies Limited (formerly known as KFin Technologies Private Limited)**

### **Notes:**

1. The above standalone financial results of KFin Technologies Limited ("the Company") have been prepared in accordance with and comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued there under and in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended.

2. The above standalone financial results have been reviewed and recommended by the Audit Committee at its meeting held on January 25, 2024. The Board of Directors at its meeting held on January 25, 2024 have approved the above results and taken them on record. The statutory auditors have expressed an unmodified review conclusion on these results.

3. The Board of Directors of the Company in their meeting held on August 02, 2017 had 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 was approved by the National Company Law Tribunal vide their order dated October 23, 2018 which was filed with the Registrar of Companies on November 17, 2018. Therefore, the Scheme became effective on November 17, 2018. As per the Scheme, the 'RTA undertaking' of KCL and KCPL were amalgamated into the Company with effect from November 17, 2018 and the amalgamation was accounted for during the year ended March 31, 2019.

As specified in the Scheme, the amalgamation had been accounted for in accordance with the Purchase method of accounting as per Accounting Standard 14 on 'Accounting for Amalgamations'. All the assets and liabilities of the RTA Undertaking of KCL and KCPL had been recorded at their 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 recorded as goodwill to be amortised over a period of 10 years. This 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 different from the accounting as per Ind AS 103 on 'Business Combinations'. The Board of Directors of the Company at its meeting held on September 01, 2021, approved the application filed with National Company Law Tribunal ('NCLT application') on October 28, 2021 for discontinuing amortisation of goodwill. Pursuant to the approval of the NCLT application via order dated March 02, 2022, the amortisation of goodwill was discontinued with effect from April 01, 2021. As per Ind AS 36- Impairment of Assets, the Company continues to annually test the Goodwill for impairment.

4. The pre-amalgamated Company (Refer in Note 3 above) was the Registrar and Transfer Agent (RTA) of a past Client ("the Client") until April 5, 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 issued in October 2021, by ₹. 300.00 million. 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 November 15, 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 (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 ₹. 76.96 million as at December 31, 2023. Pending the final settlement of terms to be agreed with the Client, the Management has measured the provision at its best estimate.

5. During nine months period ended December 31, 2023, 1,416,889 number of employee stock options were exercised and allotted.

6. The Board of Directors of the Company approved a proposal for buy-back of 1,000 Non-convertible Redeemable Preference Shares ("RPS") of the Company having face value of ₹. 200 each fully paid up at a buy back price of ₹.1,340,200.001 per RPS, which is inclusive of all taxes including buy-back tax required to be paid by the Company aggregating to ₹. 1,340,200,001 ("Buyback Consideration"), constituting 12.10% of the existing paid-up capital and free reserves, based on the interim unaudited standalone financial information as at and for the quarter ended 30 June 2023 at its meeting held on 27 September 2023, in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013, as amended (the "Act") read with Rule 17 of the Companies (Share Capital and Debentures) Rules, 2014 ("Rules"). This was approved by Company's shareholders at the Extra-ordinary General Meeting ("EGM") held on 23 October 2023. The Company has completed the buy-back process on 30 November 2023.

7. These standalone financial results along with the review report of the statutory auditors of the Company are being filed with the National Stock Exchange of India Limited (NSE) and BSE Limited and are also available on the Company's website.

*for and on behalf of the Board of Directors of*

**KFin Technologies Limited**

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**Sreekanth Nadella**

*Managing Director and Chief Executive Officer*

DIN: 08659728

Place: Hyderabad

Date: January 25, 2024