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RED HERRING PROSPECTUS  
Dated December 10, 2022  
Please read section 32 of the Companies Act, 2013  
100% Book Built Offer



## KFIN TECHNOLOGIES LIMITED

CORPORATE IDENTITY NUMBER: U72400TG2017PLC117649

REGISTERED OFFICE AND CORPORATE OFFICE	CONTACT PERSON	TELEPHONE & EMAIL	WEBSITE
Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi – 500032, Telangana, India	Alpana Uttam Kundu Company Secretary & Compliance Officer	Telephone no.: +91 40 7961 5565 Email: compliance.corp@kfintech.com	www.kfintech.com

### OUR PROMOTER: GENERAL ATLANTIC SINGAPORE FUND PTE. LTD.

#### DETAILS OF OFFER TO PUBLIC

Type	Fresh Issue size	Offer for Sale size	Total Offer size	Eligibility and reservations among QIBs, NIBs and RIBs
Offer for Sale	NIL	Up to [●] Equity Shares aggregating up to ₹ 15,000 million	Up to ₹ 15,000 million	The Offer is being made pursuant to Regulation 6(2) of the SEBI ICDR Regulations. For details in relation to share reservation among QIBs, NIBs and RIBs, see “Offer Structure” on page 461.

#### DETAILS OF THE SELLING SHAREHOLDER, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION

Name of the Selling Shareholder	Type	Number of Equity Shares being offered/amount	Weighted average cost of acquisition per Equity Share (in ₹) <sup>(1)</sup>
GENERAL ATLANTIC SINGAPORE FUND PTE. LTD.	Promoter Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹ 15,000 million	74.06

<sup>(1)</sup>As certified as MHA & Associates LLP, Chartered Accountants by their certificate dated December 10, 2022.

#### RISKS IN RELATION TO THE FIRST OFFER

The face value of the Equity Shares is ₹ 10 each. The Offer Price, Floor Price or Price Band as determined by our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Managers and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under “Basis for Offer Price” beginning on page 128, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company, or regarding the price at which the Equity Shares will be traded after listing.

#### GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” beginning on page 30.

#### ISSUER’S AND SELLING SHAREHOLDER’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Promoter Selling Shareholder accepts responsibility for and confirms that the statements specifically made or confirmed by it in this Red Herring Prospectus to the extent of information specifically pertaining to itself and its portion of the Offered Shares in the Offer for Sale and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. The Promoter Selling Shareholder assumes no responsibility for any other statement, including, inter alia, any of the statements made by or relating to our Company or its business.

#### LISTING

The Equity Shares, once offered through this Red Herring Prospectus, are proposed to be listed on the Stock Exchanges. For the purposes of the Offer, the Designated Stock Exchange shall be National Stock Exchange of India Limited.

#### BOOK RUNNING LEAD MANAGERS

Name of BRLM and logo	Contact person	Email and telephone	Name of BRLM and logo	Contact person	Email and telephone
 ICICI Securities Limited	Sumit Singh/ Shekhar Asnani	Telephone no.: +91 22 6807 7100 E-mail: kfintech.ipo@icicisecurities.com	 IIFL Securities Limited	Pawan Jain/ Dhruv Bhagwat	Telephone no.: +91 22 4646 4728 E-mail: kfintech.ipo@iiflcap.com
 Kotak Mahindra Capital Company Limited	Ganesh Rane	Telephone no.: +91 22 4336 0000 E-mail: kfintech.ipo@kotak.com	 Jefferies India Private Limited	Ashutosh Prajapati	Telephone no.: +91 22 4356 6000 E-mail: kfintech.ipo@jefferies.com
 J.P. Morgan India Private Limited	Govind Khetan	Telephone no.: +91 22 6157 3000 E-mail: kfintech_ipo@jpmorgan.com			

#### REGISTRAR TO THE OFFER

Name of Registrar	Contact person	Email and telephone
Bigshare Services Private Limited	Jibu John	Telephone no.: +91 22 62638200 E-mail: kfintechipo@bigshareonline.com

#### BID/OFFER PROGRAMME

ANCHOR INVESTOR BIDDING DATE	Friday, December 16, 2022*	BID/OFFER OPENS ON	Monday, December 19, 2022	BID/OFFER CLOSES ON	Wednesday, December 21, 2022**
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\* Our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations.

\*\* UPI mandate end time and date shall be at 5.00 p.m. on the Bid/ Offer Closing Date



## KFIN TECHNOLOGIES LIMITED

Our Company was originally incorporated under the Companies Act, 2013 as 'KCPL Advisory Services Private Limited' and was granted a certificate of incorporation by the RoC on June 8, 2017. The Board of our Company approved the change in the name of our Company from 'KCPL Advisory Services Private Limited' to 'Karvy Fintech Private Limited' by their resolution dated July 22, 2017, which was thereafter approved by the Shareholders of our Company through their resolution dated July 24, 2017, and a fresh certificate of incorporation, under the Companies Act, 2013, was issued by the RoC on August 10, 2017. Pursuant to the Scheme of Amalgamation between Karvy Consultants Limited ("KCL"), Karvy Computershare Private Limited ("KCPL") and our Company, all the assets and liabilities pertaining to the RTA business of KCL (including but not limited to the equity investment of KCL in KCPL) were demerged into our Company on a going concern basis; and KCPL was amalgamated into our Company with effect from November 17, 2018. The Board of our Company approved the change in the name of our Company from 'Karvy Fintech Private Limited' to 'KFin Technologies Private Limited' through their resolution dated November 25, 2019, which was thereafter approved by the Shareholders of our Company through their resolution dated November 30, 2019 and a fresh certificate of incorporation, under the Companies Act, 2013, was issued by the RoC on December 5, 2019. The Board of our Company approved the conversion of our Company from a 'private limited company' to a 'public limited company' through their resolution dated January 8, 2022, which was thereafter approved by the Shareholders of our Company through their resolution dated January 28, 2022. Pursuant to the conversion of our Company into a public limited company, the name of our Company was changed from 'KFin Technologies Private Limited' to 'KFin Technologies Limited', and a fresh certificate of incorporation dated February 24, 2022, was issued by the RoC. For details in relation to the Scheme of Amalgamation and the changes in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 258.

Corporate Identity Number: U72400TG2017PLC117649;

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

Contact Person: Alpna Uttam Kundu, Company Secretary and Compliance Officer; Telephone no.: +91 40 7961 5565;

E-mail: compliance.corp@kfintech.com; Website: www.kfintech.com

### OUR PROMOTER: GENERAL ATLANTIC SINGAPORE FUND PTE. LTD.

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF KFIN TECHNOLOGIES LIMITED ("COMPANY" OR "THE COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹ 15,000 MILLION (THE "OFFER") COMPRISING OF AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 15,000 MILLION ("OFFER FOR SALE") BY GENERAL ATLANTIC SINGAPORE FUND PTE. LTD. (THE "PROMOTER SELLING SHAREHOLDER"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDER, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN ALL EDITIONS OF FINANCIAL EXPRESS, ALL EDITIONS OF JANSATTA AND HYDERABAD (TELANGANA) EDITION OF SURYA (WHICH ARE ENGLISH, HINDI AND TELUGU NEWSPAPERS, RESPECTIVELY, TELUGU BEING THE REGIONAL LANGUAGE OF TELANGANA, WHERE THE REGISTERED OFFICE OF OUR COMPANY IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE"), TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and Promoter Selling Shareholder may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Banks, as applicable.

This is an Offer in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in terms of Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, 15% of the Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for Non-Institutional Bidders with Bid size exceeding ₹ 200,000 and up to ₹ 1,000,000; and (b) two third of such portion shall be reserved for Non-Institutional Bidders with Bid size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to Non-Institutional Bidders in the other sub-category of Non-Institutional Bidders and not more than 10% of the Offer shall be available for allocation to Retail Individual Bidders ("RIBs") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA accounts and UPI ID in case of UPI Bidders, as applicable, pursuant to which their corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks ("SCSBs") or by the Sponsor Banks under the UPI Mechanism, as the case may be, to the extent of the respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA Process. For further details, see "Offer Procedure" beginning on page 464.

### RISK IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each. The Floor Price, Cap Price and Offer Price (determined by our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Managers and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for Offer Price" beginning on page 128), should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company, or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 30.

### ISSUER'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Promoter Selling Shareholder accepts responsibility for and confirms that the statements specifically made or confirmed by such Promoter Selling Shareholder in this Red Herring Prospectus to the extent of information specifically pertaining to itself and its portion of the Offered Shares in the Offer for Sale and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. The Promoter Selling Shareholder assumes no responsibility for any other statement, including, inter alia, any of the statements made by or relating to our Company or its business.

### LISTING

The Equity Shares, when offered through this Red Herring Prospectus, are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters each dated June 16, 2022 For the purposes of the Offer, the Designated Stock Exchange shall be NSE. A signed copy of this Red Herring Prospectus has been and the Prospectus shall be delivered for filing with the RoC in accordance with the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus until the Bid/ Offer Closing Date, see "Material Contracts and Documents for Inspection" beginning on page 559.

### BOOK RUNNING LEAD MANAGERS

### REGISTRAR TO THE OFFER

ICICI Securities	Kotak Investment Banking	J.P.Morgan	IIFL SECURITIES	Jefferies	Bigshare Services Pvt. Ltd.
ICICI Securities Limited ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025 Telephone no.: +91 22 6807 7100 E-mail: kfintech ipo@icicisecurities.com Investor Grievance e-mail: customer.care@icicisecurities.com Website: www.icicisecurities.com Contact Person: Sumit Singh/ Shekhar Asnani SEBI Registration No.: INM000011179	Kotak Mahindra Capital Company Limited 27BKC, 1st Floor, Plot No. C – 27 "G" Block, Bandra Kurla Complex Bandra (East), Mumbai – 400 051, India Telephone no.: +91 22 4336 0000 E-mail: kfintech.ipo@kotak.com Investor Grievance e-mail: kmcaredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Ganesh Rane SEBI Registration No.: INM000008704	J.P. Morgan India Private Limited J.P. Morgan Tower Off CST Road, Kalina, Santacruz East, Mumbai – 400098, India Telephone no.: +91 22 6157 3000 E-mail: kfintech_ipo@jpmorgan.com Investor Grievance e-mail: investorsmb.jpmipl@jpmorgan.com Website: www.jpmipl.com Contact Person: Govind Khetan SEBI Registration No.: INM000002970	IIFL Securities Limited IIFL Centre, Kamala City Senapati Bapat Marg Lower Parel (W) Mumbai- 400013, India Telephone no.: +91 22 4646 4728 E-mail: kfintech.ipo@iiflcap.com Investor Grievance e-mail: ig.ib@iiflcap.com Website: www.iiflcap.com Contact Person: Pawan Jain/ Dhruv Bhagwat SEBI Registration No.: INM000010940	Jefferies India Private Limited 42/43, 2 North Avenue, Maker Maxity Bandra-Kurla Complex (BKC) Bandra (East), Mumbai 400 051, India Telephone no.: +91 22 4356 6000 E-mail: kfintech.ipo@jefferies.com Investor Grievance e-mail: jipl.grievance@jefferies.com Website: www.jefferies.com Contact Person: Ashutosh Prajapati SEBI Registration No.: INM000011443	Bigshare Services Private Limited Office No –S6-2, 6th Floor, Pinnacle Business Park Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai –400093 Telephone no.: +91 22 62638200 E-mail: kfintechipo@bigshareonline.com Investor Grievance e-mail: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Jibu John SEBI Registration No.: INR000001385
BID/OFFER OPENS ON*				Monday, December 19, 2022	
BID/OFFER CLOSES ON				Wednesday, December 21, 2022	

\*Our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date, i.e. Friday, December 16, 2022.

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below, and references to any legislation, statute, regulation, rules, guidelines or policies shall be to such legislation, statute, regulation, rule, guidelines or policy as amended from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.*

*Notwithstanding the foregoing, terms used in “Basis for Offer Price”, “Statement of Possible Special Tax Benefits”, “Key Regulations and Policies”, “Industry Overview”, “Financial Statements”, “Outstanding Litigation and Material Developments” and “Description of Equity Shares and Terms of Articles of Association” beginning on pages 128, 141, 251, 151, 302, 423 and 486, respectively, shall have the meaning ascribed to such terms in these respective sections.*

#### General terms

Terms	Description
“our Company”, “the Company” or “the Issuer”	KFin Technologies Limited, incorporated under the Companies Act, 2013 and having the Corporate Identity Number U72400TG2017PLC117649 and registered and corporate office at Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi – 500032, Telangana, India.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, our Company and our Subsidiaries.

#### Company related terms

Terms	Description
“Articles of Association” or “AoA”	Articles of Association of our Company, as amended.
“Audit Committee”	The audit committee of the Board of Directors, as described in “Our Management” beginning on page 275.
“Auditors” or “Statutory Auditors”	Statutory auditors of our Company, namely, B S R & Associates LLP, Chartered Accountants.
“Board” or “Board of Directors”	Board of directors of our Company or a duly constituted committee thereof.
“Chief Executive Officer” or “CEO” and “Managing Director”	Chief executive officer and managing director of our Company, Venkata Satya Naga Sreekanth Nadella.
“Chief Financial Officer” or “CFO”	Chief financial officer of our Company, Vivek Narayan Mathur.
“Chief Risk Officer” or “CRO”	Chief risk officer of our Company, Deepak Balachandran.
“Company Secretary and Compliance Officer”	Company secretary of our Company and compliance officer to the Offer, Alpana Uttam Kundu.
“Compar”	Compar Estates and Agencies Private Limited.
“Corporate Social Responsibility Committee”	The corporate social responsibility committee of our Board, as described in “Our Management” beginning on page 275.
“CP Group”	Collectively, Rajat Parthasarathy, C. Parthasarathy, C. Parthasarathy-HUF and Compar Estates and Agencies Private Limited.
“CRISIL” or “CRISIL MI&A”	CRISIL Market Intelligence and Analytics, a division of CRISIL Limited
“CRISIL Report”	A report dated November 25, 2022 titled “Assessment of Investor and Issuer Solutions industry across asset classes in India, South East Asia and Hong Kong”, prepared by CRISIL MI&A, a division of CRISIL Limited, paid for and commissioned by the Company, exclusively for this Offer. The CRISIL Report is available on the website of our Company at <a href="https://www.kfintech.com/disclosures/">https://www.kfintech.com/disclosures/</a>
“Director(s)”	Director(s) on the Board.
“Equity Shares”	Equity shares of our Company of face value of ₹ 10 each.
“Executive Director”	An executive director on the Board of our Company, as appointed from time to time.
“GASF” or “GA”	General Atlantic Singapore Fund Pte. Ltd.
“Group Company(ies)”	Our group company(ies), as disclosed in “Our Group Companies” beginning on page 432.
“Hexagram”	Hexagram Fintech Private Limited.
“IPO Committee”	The IPO committee of our Board, as described in “Our Management” beginning on page 275.
“Independent Directors”	A non-executive, independent director on the Board, as appointed from time to time, as per the Companies Act, 2013 and the SEBI Listing Regulations. For details of our Independent

Terms	Description
	Directors, see “ <i>Our Management</i> ” beginning on page 275.
“KCL”	Karvy Consultants Limited.
“KCPL”	Karvy Computershare Private Limited.
“Key Managerial Personnel” or “KMP”	Key managerial personnel of our Company in terms of the SEBI ICDR Regulations, as disclosed in “ <i>Our Management</i> ” beginning on page 275.
“KFin ESOP Plan 2020”	KFin Employee Stock Option Plan 2020
“KFin Subject Shares”	23,654,680 Equity Shares held by the CP Group
“KMBL”	Kotak Mahindra Bank Limited
“KSBL”	Karvy Stock Broking Limited.
“Materiality Policy”	The policies adopted by our Board on March 24, 2022, October 4, 2022 and November 23, 2022, for identification of: (a) material litigation; (b) material companies to be categorised as Group Companies; (c) material creditors, pursuant to the requirements of the SEBI ICDR Regulations; and (d) material litigation pertaining to KSBL, KDMSL and Compar.
“Memorandum of Association” or “MoA”	Memorandum of association of our Company, as amended.
“Nomination and Remuneration Committee”	The nomination and remuneration committee of our Board, as described in “ <i>Our Management</i> ” beginning on page 275.
“Non-executive Directors”	A non-executive, non-independent director on the Board, as appointed from time to time.
“Promoter” or “Promoter Selling Shareholder”	General Atlantic Singapore Fund Pte. Ltd.
“Promoter Group”	The entities constituting the promoter group of our Company in terms of the SEBI ICDR Regulations, as disclosed in “ <i>Our Promoter and Promoter Group</i> ” beginning on page 297.
“Registered Office” or “Registered and Corporate Office”	The registered and corporate office of our Company, located at Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi – 500032, Telangana, India.
“Registrar of Companies” or “RoC”	Registrar of Companies, Telangana at Hyderabad.
“Risk Management Committee”	The risk management committee of our Board, as described in “ <i>Our Management</i> ” beginning on page 275.
“Restated Consolidated Financial Information”	Restated consolidated financial information of our Company and Subsidiaries, as at and for the six months period ended September 30, 2022 and September 30, 2021, and years ended March 31, 2022, March 31, 2021 and March 31, 2020, comprising the restated consolidated balance sheet of the Company as at September 30, 2022, September 30, 2021, March 31, 2022, March 31, 2021 and March 31, 2020, the restated consolidated statement of profit and loss (including other comprehensive income) and the restated consolidated statement of cash flows and restated consolidated changes in equity for the six months period ended September 30, 2022 and September 30, 2021, and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, the consolidated summary statement of notes and other explanatory information, derived from the audited consolidated financial statements (i) as at and for the six months period ended September 30, 2022 and September 30, 2021; (ii) as at and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, prepared in accordance with Ind AS and restated in accordance with requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 (as amended), the SEBI ICDR Regulations (as amended) and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by the ICAI.
“Scheme of Amalgamation”	Composite Scheme of Arrangement and Amalgamation between Karvy Consultants Limited, Karvy Computershare Private Limited and our Company, formerly known as ‘Karvy Fintech Private Limited’, at the relevant time.
“Shareholder(s)”	Shareholders holding Equity Shares our Company, from time to time.
“Share Purchase Agreements”	Share Purchase Agreement dated May 28, 2021 executed between GASF, CP Group, Adhiraj Parthasarathy and the Company, as amended from time to time, and as acceded to by General Atlantic Singapore KFT Pte. Ltd. (formerly known as General Atlantic Singapore SPV 40 Pte. Ltd.), pursuant to a deed of adherence dated July 16, 2021
“Share Subscription Agreement”	Subscription Agreement dated August 3, 2017 executed between GASF, KCPL Advisory Services Private Limited, CP Group, Adhiraj Parthasarathy, M. Rajini, M. Ahalya, M. Gangadhar Rao, M. Spandana, M. Rushyanth, M. Meena and Jhansi Sureddi.
“Stakeholders’ Relationship Committee”	The stakeholders’ relationship committee of our Board as described in “ <i>Our Management</i> ” beginning on page 275.
“Subsidiaries”	KFin Services Private Limited, Hexagram Fintech Private Limited, KFin Global Technologies (IFSC) Limited, KFin Technologies (Bahrain) W.L.L., KFin Technologies (Malaysia) SDN BHD and Hexagram FinTech SDN. BHD., being the subsidiaries of the Company, as disclosed in “ <i>Our Subsidiaries</i> ” beginning on page 269.

#### Offer related terms

Term	Description
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<b>Term</b>	<b>Description</b>
“Abridged Prospectus”	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf.
“Acknowledgement Slip”	The slip or document issued by relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form.
“Allot”, “Allotment”, or “Allotted”	Transfer of the Offered Shares pursuant to the Offer for Sale to the successful Bidders.
“Allotment Advice”	A note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
“Allottee”	A successful Bidder to whom the Equity Shares are Allotted.
“Anchor Investor”	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and this Red Herring Prospectus and who has Bid for an amount of at least ₹ 100 million.
“Anchor Investor Allocation Price”	The price at which Equity Shares will be allocated to Anchor Investors during the Anchor Investor Bid/Offer Period in terms of this Red Herring Prospectus and Prospectus which will be decided by our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Managers.
“Anchor Investor Application Form”	The application form used by an Anchor Investor to Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of this Red Herring Prospectus and Prospectus.
“Anchor Investor Bid/Offer Period”	One Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed.
“Anchor Investor Offer Price”	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Managers.
“Anchor Investor Pay – in Date”	With respect to Anchor Investor(s), the Anchor Investor Bidding Date, and, in the event the Anchor Investor Allocation Price is lower than the Offer Price a date being, not later than two Working Days after the Bid/Offer Closing Date.
“Anchor Investor Portion”	Up to 60% of the QIB Portion, which may be allocated by our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Managers, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
“Applications Supported by Blocked Amount” or “ASBA”	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI Mechanism.
“ASBA Account”	A bank account maintained with an SCSB by an ASBA Bidder as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form, which may be blocked by such SCSB or the account of the UPI Bidders, blocked upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism, to the extent of the Bid Amount of the ASBA Bidder.
“ASBA Bidder”	All Bidders except Anchor Investors.
“ASBA Form”	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus.
“Banker(s) to the Offer”	Collectively, the Escrow Collection Bank, Refund Bank, Public Offer Account Banks and the Sponsor Banks, as the case may be.
“Basis of Allotment”	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, as described in “Offer Procedure” beginning on page 464.
“Bid”	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of a Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of this Red Herring Prospectus and the Bid cum Application Form.  The term “Bidding” shall be construed accordingly.
“Bidder”	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form, and unless otherwise stated or implied, includes an Anchor Investor.
“Bid Amount”	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid.
“Bidding Centres”	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
“Bid cum Application Form”	Anchor Investor Application Form or the ASBA Form, as the context requires.

Term	Description
"Bid Lot"	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
"Bid/Offer Closing Date"	<p>Except in relation to Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being Wednesday, December 21, 2022, which shall be published in all editions of the English daily national newspaper Financial Express, all editions of the Hindi national daily newspaper Jansatta and Hyderabad (Telangana) editions of the Telugu daily national newspaper Surya (Telugu being the regional language of the Telangana, where our Registered Office is located), each with wide circulation.</p> <p>In case of any revisions, the extended Bid/ Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Banks.</p> <p>In case of any revision, the extended Bid/Offer Closing Date shall also be notified on the websites of the Book Running Lead Managers and at the terminals of the Syndicate Member and communicated to the Designated Intermediaries and the Sponsor Banks, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations.</p>
"Bid/Offer Opening Date"	<p>Except in relation to Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, which shall also be notified in all editions of English national daily newspaper Financial Express, all editions of Hindi national daily newspaper Jansatta and Hyderabad (Telangana) editions of the Telugu national daily newspaper Surya (Telugu being the regional language of Telangana, where our Registered Office is located) which are widely circulated English, Hindi and Telugu newspapers, respectively.</p> <p>Our Company and the Promoter Selling Shareholder may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.</p>
"Bid/Offer Period"	<p>Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereto in accordance with the SEBI ICDR Regulations. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.</p> <p>The Bid/Offer Period will comprise of Working Days only.</p>
"Book Building Process"	The book building process as described in Part A, Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, namely, ICICI Securities Limited, Kotak Mahindra Capital Company Limited, J.P. Morgan India Private Limited, IIFL Securities Limited and Jefferies India Private Limited.
"Broker Centre"	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker and details of which are available on the websites of the respective Stock Exchanges. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), and updated from time to time.
"CAN" or "Confirmation of Allocation Note"	The note or advice or intimation of allocation of the Equity Shares sent to Anchor Investors who have been allocated Equity Shares on / after the Anchor Investor Bidding Date.
"Cap Price"	The higher end of the Price Band, i.e. ₹ [●] per Equity Share, subject to any revisions thereof, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price of the Price Band shall be at least one hundred and five percent of the Floor Price.
"Cash Escrow and Sponsor Bank Agreement"	The agreement dated December 10, 2022 entered into between our Company, the Promoter Selling Shareholder, the Registrar to the Offer, the Book Running Lead Managers, the Syndicate Member, the Banker(s) to the Offer, <i>inter alia</i> , the appointment of the Sponsor Banks in accordance with the UPI Circulars, for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Accounts and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof.
"Client ID"	Client identification number maintained with one of the Depositories in relation to the demat account.
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI UPI Circulars issued by SEBI, as per the list available on the websites of BSE and NSE, as updated from time to time.
"Cut-off Price"	The Offer Price, as finalised by our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers which shall be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.

<b>Term</b>	<b>Description</b>
“Demographic Details”	Details of the Bidders including the Bidder’s address, name of the Bidder’s father/ husband, investor status, occupation and bank account details and UPI ID, where applicable.
“Designated Branches”	SCSB Such branches of the SCSBs which shall collect ASBA Forms, a list of which is available on the website of the SEBI at ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> ) and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time.
“Designated Locations”	CDP Such locations of the CDPs where Bidders can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ).
“Designated Date”	The date on which funds are transferred from the Escrow Account to the Public Offer Accounts or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Offer Accounts, as the case may be, in terms of this Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which our Board may Allot Equity Shares to successful Bidders in the Offer.
“Designated Intermediaries”	In relation to ASBA Forms submitted by RIBs and Non-Institutional Bidders with an application size of up to ₹ 500,000, (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.  In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs.  In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs.
“Designated Locations”	RTA Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs, a list of which, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ).
“Designated Exchange”	Stock NSE
“Draft Red Herring Prospectus” or “DRHP”	The draft red herring prospectus dated March 31, 2022, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the Offer, including the price at which the Equity Shares will be Allotted and the size of the Offer.
“Eligible FPIs”	FPIs from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby.
“Eligible NRIs”	NRI(s) eligible to invest under the relevant provisions of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and this Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
“Escrow Account(s)”	Accounts to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through direct credit/ NEFT/ RTGS/NACH in respect of Bid Amounts when submitting a Bid.
“Escrow Collection Bank”	The banks which are clearing members and registered with SEBI as Bankers to an issue under the SEBI BTI Regulations, and with whom the Escrow Account(s) will be opened, in this case being Kotak Mahindra Bank Limited.
“First Bidder”	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
“Floor Price”	The lower end of the Price Band, i.e., ₹ [●] subject to any revision(s) thereto, not being lower than the face value of the Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids, will be accepted.
“Fraudulent Borrower”	A fraudulent borrower, as defined under the SEBI ICDR Regulations.
“General Information Document” or “GID”	The General Information Document for investing in public offers, prepared and issued by SEBI, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the Book Running Lead Managers.
“I-Sec”	ICICI Securities Limited
“IIFL”	IIFL Securities Limited
“J.P. Morgan”	J.P. Morgan India Private Limited
“Jeffries”	Jefferies India Private Limited
“Kotak”	Kotak Mahindra Capital Company Limited
“Minimum NIB Application Size”	Bid amount of more than ₹ 200,000



<b>Term</b>	<b>Description</b>
“Mutual Fund” or “MF(s)”	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
“Mutual Fund Portion”	Up to 5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price
“Net QIB Portion”	QIB Portion, less the number of Equity Shares Allotted to the Anchor Investors.
“Non-Institutional Investors” or “NII(s)” or “Non-Institutional Bidders” or “NIB(s)”	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs).
“Non-Institutional Portion”	The portion of the Offer being not less than 15% of the Offer, consisting of [●] Equity Shares, which shall be available for allocation to Non-Institutional Bidders of which (a) one – third shall be available for allocation to Bidders with an Bid size of more than ₹ 200,000 and up to ₹ 1,000,000 and (b) two-third shall be available for allocation to Bidders with an Bid size of more than ₹ 1,000,000 in accordance with the SEBI ICDR Regulations, and undersubscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion, subject to valid Bids being received at or above the Offer Price.
“Non-Resident” or “NR”	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs.
“Offer”	Initial public offering of up to [●] Equity Shares of face value of ₹ 10 each of the Company for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ 15,000 million consisting of an offer for sale of up to [●] Equity Shares aggregating up to ₹ 15,000 million, by the Promoter Selling Shareholder.
“Offer Agreement”	The agreement dated March 31, 2022 amongst our Company, the Promoter Selling Shareholder and the Book Running Lead Managers, pursuant to the SEBI ICDR Regulations, based on which certain arrangements are agreed upon in relation to the Offer.
“Offer for Sale”	The offer for sale of up to [●] Equity Shares aggregating up to ₹ 15,000 million, by the Promoter Selling Shareholder in the Offer.
“Offer Price”	The final price at which the Equity Shares will be Allotted to successful Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of this Red Herring Prospectus. The Offer Price will be decided by our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, in accordance with the Book Building Process on the Pricing Date and in terms of the Red Herring Prospectus.
“Offer Proceeds”	The proceeds of the Offer for Sale which shall be available to the Promoter Selling Shareholder. For further information about use of the Offer Proceeds, see “ <i>Objects of the Offer</i> ” on page 125.
“Offered Shares”	The Equity Shares being offered by the Promoter Selling Shareholder as part of the Offer for Sale comprising of an aggregate of up to [●] Equity Shares.
“Price Band”	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum Price of ₹ [●] per Equity Share (Cap Price) and includes revisions thereof. The Cap Price shall be at least 105% of the Floor Price.  The Price Band will be decided by our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers and the minimum bid lot will be decided by our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Managers, and will be advertised in all editions of an English national daily newspaper Financial Express, all editions of a Hindi national daily newspaper Jansatta and Hyderabad (Telangana) editions of the Telugu national daily newspaper Surya (each of which are widely circulated English, Hindi and Telugu newspapers, respectively, Telugu being the regional language of the Telangana, where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchange for the purpose of uploading on their respective websites.
“Pricing Date”	The date on which our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, will finalise the Offer Price.
“Prospectus”	The prospectus to be filed with the RoC, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations containing, amongst other things, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
“Public Offer Account Banks”	The banks which are clearing members and registered with SEBI under the SEBI BTI Regulations, with whom the Public Offer Accounts will be opened, in this case being Kotak Mahindra Bank Limited and Axis Bank Limited.
“Public Offer Accounts”	Bank accounts to be opened in accordance with the provisions of the Companies Act, 2013, with the Public Offer Account Banks to receive money from the Escrow Accounts and from the ASBA Accounts on the Designated Date.
“Qualified Institutional Buyers” or “QIBs”	A qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
“QIB Portion” or “QIB Category”	The portion of the Offer (including the Anchor Investor Portion) being not less than 75% of the Offer, consisting of [●] Equity Shares which shall be allocated to QIBs, including the Anchor Investors (which allocation shall be on a discretionary basis, as determined by our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers up to a limit of 60% of the QIB

Term	Description
	Portion) subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors).
“Red Herring Prospectus” or “RHP”	This red herring prospectus dated December 10, 2022 issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of SEBI ICDR Regulations, which does not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. This red herring prospectus has been filed with the RoC at least three working days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
“Refund Account(s)”	The ‘no-lien’ and ‘non-interest bearing’ accounts to be opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made.
“Refund Bank”	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being Kotak Mahindra Bank Limited.
“Registered Brokers”	Stock brokers registered under the SEBI (Stock Brokers) Regulations, 1992, as amended, with the Stock Exchanges having nationwide terminals other than the members of the Syndicate, and eligible to procure Bids in terms of the circular No. CIR/CFD/14/2012 dated October 4, 2012 and the UPI Circulars, issued by SEBI.
“Registrar Agreement”	The agreement dated March 30, 2022, entered into amongst our Company, the Promoter Selling Shareholder and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
“Registrar and Share Transfer Agents” or “RTAs”	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available on the website of BSE and NSE, and the UPI Circulars.
“Registrar” or “Registrar to the Offer”	Bigshare Services Private Limited.
“Resident Indian”	A person resident in India, as defined under FEMA.
“Retail Individual Bidders” or “RIB(s)” or “Retail Individual Investors” or “RII(s)”	Individual Bidders (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs) who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the Bidding options in the Offer.
“Retail Portion”	Portion of the Offer being not more than 10% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Offer Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis.
“Revision Form”	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable.  QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders bidding in the Retail Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date.
“SCORES”	Securities and Exchange Board of India Complaints Redress System, a centralized web based complaints redressal system launched by SEBI vide circular no. CIR/OIAE/1/2014 dated December 18, 2014
“Self Certified Syndicate Bank(s)” or “SCSB(s)”	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> and <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> , or such other website as may be prescribed by SEBI from time to time.  Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure ‘A’ to the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> , as updated from time to time.
“Share Escrow Agent”	Escrow agent to be appointed pursuant to the Share Escrow Agreement, namely Bigshare Services Private Limited
“Share Escrow Agreement”	The agreement dated December 10, 2022 entered into amongst our Company, the Promoter Selling Shareholder, and the Share Escrow Agent for deposit of the Equity Shares offered by the Promoter Selling Shareholder in escrow credit of such Equity Shares to the demat account of the Allottees.
“Sponsor Banks”	The Bankers to the Offer registered with SEBI which is appointed by our Company to act as conduits between the Stock Exchanges and the National Payments Corporation of India in order to push the

Term	Description
	mandate collect requests and / or payment instructions of the UPI Bidders into the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, the Sponsor Banks in this case being Kotak Mahindra Bank Limited and Axis Bank Limited.
“Specified Locations”	The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time.
“Stock Exchange(s)”	Collectively, BSE Limited and National Stock Exchange of India Limited.
“Syndicate Agreement”	The agreement dated December 10, 2022 entered into amongst our Company, the Promoter Selling Shareholder, the Book Running Lead Managers, and the Syndicate Member in relation to collection of Bid cum Application Forms by Syndicate.
“Syndicate Member”	Intermediary (other than the Book Running Lead Managers) registered with SEBI who are permitted to accept bids, application and place orders with respect to the Offer namely, Kotak Securities Limited.
“Syndicate” or “members of the Syndicate”	Together, the Book Running Lead Managers and the Syndicate Member.
“Systemically Important Non-Banking Financial Company” or “NBFC-SI”	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
“Underwriters”	●
“Underwriting Agreement”	The agreement to be entered into amongst the Underwriters, the Promoter Selling Shareholder and our Company on or after the Pricing Date, but prior to filing of the Prospectus.
“UPI”	Unified Payments Interface, which is an instant payment mechanism developed by NPCI.
“UPI Bidders”	Collectively, individual investors who applied as (i) Retail Individual Bidders in the Retail Category, and (ii) Non-Institutional Bidders with an application size of up to ₹500,000 in the Non-Institutional Category, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Member, Registered Brokers, Collecting Depository Participants and Collecting Registrar and Share Transfer Agents.  Pursuant to circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹500,000 are required to use the UPI Mechanism and are required to provide their UPI ID in the Bid cum Application Form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
“UPI Circulars”	Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular no. (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2021./2480/1/M) dated March 16, 2021, circular (SEBI/HO/CFD/DIL1/CIR/P/2021/47) dated March 31, 2021, SEBI circular number no. (SEBI/HO/CFD/DIL2/P/CIR/2021/570) dated June 2, 2021, SEBI circular number no. (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, SEBI circular number no. (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 along with the circular issued by NSE having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or Stock Exchanges in this regard.
“UPI ID”	ID created on UPI for single-window mobile payment system developed by the NPCI.
“UPI Mandate Request”	A request (intimating the UPI Bidders by way of a notification on the UPI application and by way of a SMS directing the UPI Bidders to such UPI application) to the UPI Bidders initiated by the Sponsor Banks to authorise blocking of funds in the relevant ASBA Account through the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.  In accordance with the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> ) respectively, as updated from time to time.
“UPI Mechanism”	The mechanism that may be used by a UPI Bidder to make a Bid in the Offer in accordance with the UPI Circulars.

Term	Description
“UPI PIN”	Password to authenticate UPI transaction.
“U.S. Securities Act”	The United States Securities Act of 1933, as amended
“Wilful Defaulter”	A wilful defaulter, as defined under the SEBI ICDR Regulations.
“Working Day(s)”	All days, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, Working Day shall mean all days except Saturday, Sunday and public holidays on which commercial banks in Mumbai are open for business and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circular issued by SEBI.

#### Technical / industry related terms

Term	Description
“AA”	Account aggregator
“AAEC”	Appreciable adverse effect on competition in the relevant market in India
“AAUM”	Average assets under management
“AMC(s)”	Asset management company(ies)
“AMFI”	Association of Mutual Funds in India
“API”	Application programming interface
“ASP”	Annuity Service Provider
“AUA”	Assets under administration
“AUM”	Assets under management
“AY”	Assessment year
“B15”	Beyond the top 15
“B30”	Beyond top 30
“BPO”	Business Process Outsourcing
“bps”	Basis points
“CAGR”	Compound annual growth rate
“CAMS”	Computer Age Management Systems
“CARE”	Credit Analysis and Research Limited
“CERT-In”	Indian Computer Emergency Response Team
“CGU”	Cash generating units
“CISA”	Certified Information Systems Auditor
“CISPL”	CAMS Investor Services Private Limited
“CPI”	Consumer price index
“CPSE ETF”	Central Public Sector Enterprises Exchange Traded Fund
“CRA”	Central Record Keeping Agency
“CREATE”	Corporate Recovery and Tax Incentives for Enterprises
“Credit Agencies”	Credit rating agencies
“CRISIL”	Credit Rating Information Services of India Limited
“CSR”	Corporate social responsibility
“CVL”	CDSL Ventures Limited
“CXO”	All c-level officers
“DAAS”	Data analytics-as-a-service
“DBRS”	DBRS Morningstar
“demat”	dematerialized
“DIT”	Distributor Initiated Transaction
“DLT”	Distributed ledger technologies
“EBIT”	EBITDA less depreciation and amortization expenses
“EBITDA”	Restated profit for the year plus income tax expense, plus depreciation and amortization expense, plus finance costs, less finance income
“ECL”	Expected credit loss
“EIR”	Effective interest rate
“ELSS”	Equity-linked saving scheme
“EPFO”	Employees’ provident fund organization
“ESOP”	Employee stock option plan
“FD”	Fixed deposit
“FI”	Financial institution
“FII”	Foreign institutional investor
“Fintech”	Financial technology
“FIP”	Financial information providers
“FIST”	Financial Institutions Strategic Transfer
“FIU”	Financial information users
“FoF(s)”	Fund of funds

Term	Description
“FTE(s)”	Full time equivalent(s)
“FVOCI”	Fair value through Other Comprehensive Income
“FVTPL”	Fair value through profit and loss
“GDP”	Gross domestic product
“GDS”	Gross domestic savings
“GIFT City”	Gujarat International Finance Tec-City
“HNI”	High net worth individuals
“ICCL”	Indian Clearing Corporation Limited
“ICEX”	Indian Commodity Exchange
“ICR”	Intelligent character recognition
“ICRA”	Investment Information and Credit Rating Agency of India
“IDF”	Infrastructure debt funds
“IDX”	Indonesia Stock Exchange
“IFA”	Independent financial advisors
“IFSC”	International Financial Services Centre
“IFSCA”	International Financial Services Centres Authority
“IL&FS”	Infrastructure Leasing and Financial Services
“IMF”	International Monetary Fund
“India INX”	India International Exchange
“InVITs”	Infrastructure investment trusts
“IRDA”	Insurance Regulatory and Development Authority
“IT”	Information technology
“IVCA”	The Indian Private Equity and Venture Capital Association
“Karvy group”	Entities managed and controlled by the CP Group and its affiliates
“KDMSL”	Karvy Data Management Services Limited
“KPI”	Key Performance Indicator
“KRA”	KYC Registration Agency
“LAP”	Loan against property
“LTIP”	Long term incentive plan
“MAS”	Monetary Authority of Singapore
“MCCIL”	Metropolitan Clearing Corporation of India Limited
“MCECCL”	The Multi Commodity Exchange Clearing Corporation Limited
“MCX”	Multi Commodity Exchange of India
“MF(s)”	Mutual funds
“MII”	Market infrastructure institutions
“MIS”	Management information system
“MOSPI”	Ministry of Statistics and Program Implementation
“MRF”	Mutual Recognition of Funds
“MTM”	Mark-to-market
“NADL”	NESL Asset Data Limited
“NCCL”	National Commodity Clearing Limited
“NCDEX”	National Commodity & Derivatives Exchange
“NCFE-FLIS”	National Financial Literacy and Inclusion Survey
“NCL”	NSE Clearing Limited
“NDAL”	NSE Data & Analytics Limited (formerly Dotex International)
“NDML”	NSDL Database Management Limited
“NPS”	National Pension System
“NSO”	The National Statistics Office
“OCI”	Other Comprehensive Income
“PaaS” or “PAAS”	Platform as a service
“PDP Bill”	Personal Data Protection Bill, 2019
“PE”	Private equity
“PFM”	Pension Fund Managers
“PIPE”	Private investment in Public Equity Funds
“PLI”	Production linked incentive
“PMBSY”	Pradhan Mantri Suraksha Bima Yojana
“PMJDY”	Pradhan Mantri Jan Dhan Yojana
“PMJJBY”	Pradhan Mantri Jeevan Jyoti Bima Yojana
“PML”	Prevention of Money Laundering
“PMS”	Portfolio management services
“PoP” or “POP”	A point of presence, responsible for facilitating registration, submission of contributions and requests for any modification or exit/withdrawal from NPS funds
“PPM”	Private Placement Memorandum
“PRA”	Permanent Retirement Account

Term	Description
“PRS”	Private Retirement Schemes
“QAAUM”	Quarterly Average Assets Under Management
“QRTA”	Qualified RTAs
“R&D Exp.”	Research and Development Expenses
“REITs”	Real estate investment trusts
“RM”	Relationship manager
“ROCE”	Return on capital employed
“ROE”	Return on equity
“RWAP”	Registrars web-based application platform
“S&M Exp.”	Sales and Marketing Expense
“SaaS”	Software as a service
“SC”	Securities Commission Malaysia
“SEC Thailand”	The Securities and Exchange Commission Thailand
“SEZ”	Special economic zone
“SFC”	Securities and Futures Commission of Hong Kong
“SFIG”	Singapore Funds Industry Group
“SIP”	Systematic investment plan
“SPV 2030”	Shared prosperity vision 2030
“STP”	Systematic transfer plan
“SUUTI”	Specified Undertaking of the UTI
“SWP”	Systematic withdrawal plan
“T15”	Top 15
“T30”	Top 30
“TAT”	Turnaround time
“TER”	Total expense ratio
“The Fed”	the Federal Reserve System
“TRAI”	Telecom Regulatory Authority of India
“UHNI”	Ultra HNI
“ULIP(s)”	Unit-linked investment products
“UTI”	Unit Trust of India
“VAS”	Value added services
“VC”	Venture capital
“VCI”	Venture capital investment

### Conventional and general terms / abbreviations

Term	Description
“₹”, “Rs.”, “Rupees” or “INR”	Indian Rupees.
“Adjusted EBITDA”	Calculated as the sum of profit / (loss) for the period/ year, depreciation and amortization expense, tax expense, finance cost less other income.
“ADs”	Authorised Dealers.
“Adjusted PAT Margin”	Profit / loss for the period / year, amortization of goodwill, impact of change in Finance Act 2021 / total income for the period/ year.
“AML”	Anti Money Laundering.
“AGM”	Annual general meeting.
“AIF”	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations.
“AS” or “Accounting Standards”	Accounting Standards issued by the Institute of Chartered Accountants of India.
“Bn” or “bn”	Billion.
“BSE”	BSE Limited.
“CBI”	Central Bureau of Investigation.
“CCI”	Competition Commission of India
“CDSL”	Central Depository Services (India) Limited.
“CIC”	Credit Information Company.
“CIRP”	Corporate Insolvency Resolution Process.
“Companies Act, 1956”	<i>Erstwhile</i> Companies Act, 1956 along with the relevant rules made thereunder
“Companies Act” or “Companies Act, 2013”	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder.
“Civil Code”	Code of Civil Procedure, 1908
“CrPC”	Code of Criminal Procedure, 1973
“CY”	Calendar Year.
“Depositories”	Together, NSDL and CDSL.
“Depositories Act”	Depositories Act, 1996.

Term	Description
“DIN”	Director Identification Number.
“DIPP”	Department of Industrial Policy and Promotion.
“DP ID”	Depository Participant’s Identification.
“DP” or “Depository Participant”	A depository participant as defined under the Depositories Act.
“ED”	Enforcement Directorate, Ministry of Finance, Government of India
“ESI Act”	Employees State Insurance Act, 1948
“ETF”	Exchange Traded Funds
“EGM”	Extraordinary General Meeting.
“EPS”	Earnings per Share.
“FDI”	Foreign Direct Investment.
“FEMA”	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder.
“FEMA Rules”	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
“Financial Year”, “Fiscal”, “fiscal”, “Fiscal Year” or “FY”	Unless stated otherwise, the period of 12 months ending March 31 of that particular year.
“FIPB”	The erstwhile Foreign Investment Promotion Board.
“FIR”	First Information Report
“FPI(s)”	Foreign Portfolio Investors as defined under the SEBI FPI Regulations.
“Free Cash Flow Conversion from Operating EBITDA”	EBITDA for operations (calculated as sum of restated profit / (loss) for the period, depreciation and amortization, total tax expenses, finance costs less other income less sum of unwinding of interest on lease liabilities and depreciation on right-of-use assets (Ind AS 116 adjustments)
“FVCI”	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations.
“GDP”	Gross domestic product.
“GoI” or “Government”	Government of India.
“GAAR”	General Anti Avoidance Rules
“GST”	Goods and services tax.
“IBC”	The Insolvency and Bankruptcy Code, 2016.
“ICAI”	The Institute of Chartered Accountants of India.
“IEC”	Certificate of Importer-Exporter Code
“IFRS”	International Financial Reporting Standards
“Income Tax Act” or “IT Act”	Income Tax Act, 1961.
“Ind AS”	Indian Accounting Standards as referred to in and notified by the Ind AS Rules.
“Ind AS Rules”	The Companies (Indian Accounting Standard) Rules, 2015.
“India”	Republic of India.
“Indian GAAP”	Generally Accepted Accounting Principles in India.
“IPC”	The Indian Penal Code, 1860.
“IPO”	Initial public offering.
“IST”	Indian Standard Time.
“KYC”	Know Your Customer.
“MCA”	Ministry of Corporate Affairs, Government of India.
“MFI”	Microfinance institutions.
“Mn” or “mn”	Million.
“MSME”	Micro, Small & Medium Enterprises.
“N.A.” or “NA”	Not Applicable.
“NACH”	National Automated Clearing House.
“NAV”	Net Asset Value.
“NCLT”	National Company Law Tribunal.
“NEFT”	National Electronic Fund Transfer.
“No.”	Number.
“NPCI”	National Payments Corporation of India.
“NR”	Non-resident.
“NRI”	A person resident outside India, who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or an ‘Overseas Citizen of India’ cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955.
“NSDL”	National Securities Depository Limited.
“NSE”	National Stock Exchange of India Limited.
“OCB” or “Overseas Corporate Body”	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to participate in the Offer.
“Operating EBITDA”	EBITDA for operations (calculated as sum of profit / (loss) for the period/year, depreciation and amortization expense, tax expense, finance costs less other income less sum of unwinding of interest on lease liabilities and depreciation on right-of-use assets (“Ind AS 116 adjustments”)

<b>Term</b>	<b>Description</b>
“Operating EBITDA Margin”	EBITDA for operations (calculated as sum of profit / (loss) for the period/year, depreciation and amortization expense, tax expense, finance costs less other income less sum of unwinding of interest on lease liabilities and depreciation on right-of-use assets (“Ind AS 116 adjustments”) / revenue from operations
“p.a.”	Per annum.
“P/E Ratio”	Price/Earnings Ratio.
“PAN”	Permanent Account Number.
“PAT Margin”	Profit / loss for the year / revenue from operations, Profit / loss for the year / revenue from operations (in %).
“PFRDA”	Pension Fund Regulatory and Development Authority
“PFRDA Act”	Pension Fund Regulatory and Development Authority Act, 2013.
“PFRDA (CRA) Regulations	Pension Fund Regulatory and Development Authority (Central Recordkeeping Agency) Regulations, 2015
“PMLA”	The Prevention of Money Laundering Act, 2002.
“PPI”	Prepaid Payment Instruments.
“RBI”	Reserve Bank of India.
“RDB Act”	The Recovery of Debts due to Banks and Financial Institutions Act, 1993.
“Regulation S”	Regulation S under the U.S. Securities Act.
“RTGS”	Real Time Gross Settlement.
“Rule 144A”	Rule 144A under the U.S. Securities Act.
“SCRA”	Securities Contracts (Regulation) Act, 1956.
“SCRR”	Securities Contracts (Regulation) Rules, 1957.
“SEBI”	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
“SEBI Act”	Securities and Exchange Board of India Act 1992.
“SEBI AIF Regulations”	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012.
“SEBI BTI Regulations”	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
“SEBI D&P Regulations”	Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
“SEBI FPI Regulations”	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
“SEBI FVCI Regulations”	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
“SEBI ICDR Regulations”	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
“SEBI Insider Trading Regulations”	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
“SEBI Listing Regulations”	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
“SEBI Merchant Bankers Regulations”	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.
“SEBI MF Regulations”	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
“SEBI RTA Regulations”	Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
“SEBI SBEB Regulations”	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
“SEBI VCF Regulations”	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed by the SEBI AIF Regulations.
“SMEs”	Small and Micro Enterprises.
“Stock Exchanges”	Together, BSE and NSE.
“STT”	Securities Transaction Tax.
“TDS”	Tax Deducted at Source.
“Takeover Regulations”	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
“Trademarks Act”	Trade Marks Act, 1999.
“UAE”	United Arab Emirates
“U.K.”	the United Kingdom
“U.S.” or “USA” or “United States”	United States of America.
“U.S. GAAP”	Generally Accepted Accounting Principles in the United States of America.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
“USD” or “US\$”	United States Dollars.
“VCFs”	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations.
“WHO”	World Health Organization



## CERTAIN CONVENTIONS, CURRENCY OF PRESENTATION, USE OF FINANCIAL INFORMATION AND MARKET DATA

### Certain Conventions

All references to “India” contained in this Red Herring Prospectus are to the Republic of India. All references to the “Government”, “Indian Government”, “GOI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable. All references to the “U.S.”, “USA” or “United States” are to the United States of America and its territories and possessions. Further, all references to “Singapore” are to the Republic of Singapore, references to “Malaysia” are to the Federation of Malaysia and references to “Bahrain” are to the Kingdom of Bahrain.

Unless stated otherwise, all references to page numbers in this Red Herring Prospectus are to the page numbers of this Red Herring Prospectus.

### Financial Data

Unless stated otherwise, the financial information and financial ratios in this Red Herring Prospectus is derived from our Restated Consolidated Financial Information. The Restated Consolidated Financial Information included in this Red Herring Prospectus comprising of restated consolidated balance sheet of the Company as of September 30, 2022, September 30, 2021, March 31, 2022, March 31, 2021 and March 31, 2020, the restated consolidated statement of profit and loss (including other comprehensive income) and the restated consolidated statement of cash flows and restated consolidated changes in equity for the six months period ended September 30, 2022 and September 30, 2021, and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, the consolidated summary statement of notes and other explanatory information, derived from the audited consolidated financial statements (i) as at and for the six months period ended September 30, 2022 and September 30, 2021; (ii) as at and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, is prepared in accordance with Ind AS and restated in accordance with requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 (as amended), the SEBI ICDR Regulations (as amended) and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by the ICAI, as amended from time to time.

For further information on our Company’s financial information, see “*Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 302 and 389, respectively.

The degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Ind AS, the Companies Act and SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Red Herring Prospectus should be limited. There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide a reconciliation of its financial statements with Indian GAAP, IFRS or U.S. GAAP requirements. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. For further details in connection with risks involving differences between Ind AS and other accounting principles, see “*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors’ assessments of our financial condition*” on page 75. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than to the second decimal to conform to their respective sources.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 months period ended on March 31 of that year. Unless stated otherwise, or the context requires otherwise, all references to a “year” in this Red Herring Prospectus are to a financial year.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 30, 220 and 389, respectively, and elsewhere in this Red Herring Prospectus have been calculated on the basis of our Restated

Consolidated Financial Information.

## Non-GAAP Financial Measures

Certain Non-GAAP financial measures relating to our EBITDA, EBITDA / total income (“**EBITDA Margin**”), EBITDA adjusted for other income (calculated as sum of profit / (loss) for the period/ year, depreciation and amortization expense, tax expense, finance cost less other income) (**Adjusted EBITDA**), EBITDA adjusted for other income (calculated as sum of profit / (loss) for the period/ year, depreciation and amortization expense, tax expense, finance cost less other income) (**Adjusted EBITDA**) / revenue from operations (**Adjusted EBITDA Margin**), EBITDA for operations (calculated as sum of profit / (loss) for the period/year, depreciation and amortization expense, tax expense, finance costs less other income less sum of unwinding of interest on lease liabilities and depreciation on right-of-use assets (“**Ind AS 116 adjustments**”) (“**Operating EBITDA**”), EBITDA for operations (calculated as sum of profit / (loss) for the period/year, depreciation and amortization expense, tax expense, finance costs less other income less sum of unwinding of interest on lease liabilities and depreciation on right-of-use assets (“**Ind AS 116 adjustments**”) / revenue from operations (**Operating EBITDA Margin**), Net Asset Value per Equity Share, Net worth, EBITDA for operations (calculated as sum of profit / (loss) for the period/year, depreciation and amortization expense, tax expense, finance costs less other income less sum of unwinding of interest on lease liabilities and depreciation on right-of-use assets (**Ind AS 116 adjustments**)) (**Operating EBITDA**) to EBIT excluding goodwill and right of use asset amortization, Free cash flows, Free cash flow conversion from EBITDA for operations (calculated as sum of profit / (loss) for the period, depreciation and amortization, total tax expenses, finance costs less other income less sum of unwinding of interest on lease liabilities and depreciation on right-of-use assets (“**Ind AS 116 adjustments**”) (“**Free Cash Flow Conversion From Operating EBITDA**”), Capital employed, Return on capital deployed, Return on equity, Capital expenditure as a % of revenue from operations, Asset turnover ratio, Profit or loss for the year or period / revenue from operations (in %) (“**PAT Margin**”), profit / loss for the period / year, amortization of goodwill, impact of change in Finance Act 2021 / total income for the period / year (“**Adjusted PAT margin**”), Return on Net Worth, revenue from operations less direct operating expenses, and revenue from operations less direct operating expenses / revenue from operations have been included in this Red Herring Prospectus. We compute and disclose such Non-GAAP financial measures relating to our financial performance as we consider such information to be supplemental and useful measures of our business and financial performance. Certain Non-GAAP financial measures and other information relating to financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore, may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. Please see “*Risk Factors –We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under Ind AS.*” on page 69.

## Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” or “Re.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” are to United States Dollar, the official currency of the United States;
- “SGD” are to the Singapore Dollar, the official currency of Singapore;
- “MYR” are to Malaysian Ringgit, the official currency of the Federation of Malaysia; and
- “BHD” are to Bahrain Dinar, the official currency of the Kingdom of Bahrain.

Our Company has presented certain numerical information in this Red Herring Prospectus in “million” units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. However, where any references that may have been sourced from third party sources are expressed in denomination other than millions or billions or trillions, such figures appear expressed in such denominations as provided in their respective industry sources.

## Time

All references to time in this Red Herring Prospectus are to Indian Standard Time.

## Exchange Rates

This Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee

and the other foreign currencies:

(Amount in ₹, unless otherwise specified)

Currency	As at	As at	As at		
	September 30, 2022	September 30, 2021	March 31, 2022	March 31, 2021	March 31, 2020
1 USD	81.55	74.26	75.81	73.50	75.39
1 SGD	56.89	54.53	56.06	54.46	52.90
1 MYR	17.77	17.66	18.07	17.66	17.33
1 BHD	216.45	197.31	201.86	194.59	200.45

For US\$: FBIL; For SGD, MYR: Yahoo Finance; For BHD: [www.xe.com](http://www.xe.com)

Note: The reference rates are rounded off to two decimal places.

## Industry and Market Data

For the purpose of confirming our understanding of the industry in connection with the Offer, we have commissioned and paid for a report titled “Assessment of Investor and Issuer Solutions industry across asset classes in India, South East Asia and Hong Kong” dated November 25, 2022 which is exclusively prepared for the purposes of the Offer and issued by CRISIL who has been appointed pursuant to the resolution dated December 16, 2021. We commissioned and paid for the CRISIL Report for the purposes of confirming our understanding of the industry specifically for the purpose of the Offer, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company’s services, that may be similar to the CRISIL Report. This Red Herring Prospectus contains certain data and statistics from the CRISIL Report, which is available on the website of our Company at <https://www.kfintech.com/disclosures/>.

For risks relating to the same, please refer to “Risk Factors - We have commissioned and paid for an industry report which is exclusively prepared for the purposes of the Offer and issued by CRISIL which has been used for industry related data in this Red Herring Prospectus. Accordingly, prospective investors should not base their decision solely on the information in the CRISIL Report” at page 68.

Other than the engagement described above, CRISIL Limited is independent and has no direct or indirect association with the Company, its Directors, Promoter and Book Running Lead Managers.

The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Such data involves risk, uncertainties and assumptions, and is subject to change based on various factors. Accordingly, investment decisions should not be based solely on such information. For details in relation to the risks involving the industry data, see “Risk Factors” beginning on page 30.

In accordance with the SEBI ICDR Regulations, see “Basis for Offer Price” beginning on page 128, which includes information relating to our peer group companies. Such information has been derived from publicly available sources.

## **NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES**

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of this Offer, including the merits and risks involved. The Equity Shares offered in the Offer have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and accordingly, the Equity Shares are being offered and sold (i) within the United States solely to persons who are reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from the registration requirements of the U.S. Securities Act, and (ii) outside the United States in “offshore transactions” as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

## FORWARD LOOKING STATEMENTS

This Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “propose”, “project”, “will”, “will continue”, “will pursue”, “seek to”, “shall” or other words or phrases of similar import. Similarly, statements whether made by us or any third parties that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, inter alia, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- (1) Our erstwhile promoters are subject to ongoing investigations by enforcement agencies, including Enforcement Directorate, Ministry of Finance, Government of India and the outcome of such investigations may adversely impact our Company and the market price of our Equity Shares.
- (2) Significant disruptions in our information technology systems or breaches of data security could adversely affect our business and reputation.
- (3) A decline in the growth, value and composition of AAUM of the mutual funds managed by our clients may adversely impact the average revenue earned by us from mutual funds and may have a significant adverse impact on future revenue and profit. The average revenue earned based on AAUM from our mutual fund clients as a percentage of our revenue from operations for Fiscals 2020, 2021 and 2022 was 60.79%.
- (4) There are outstanding legal proceedings involving our Company, Subsidiaries, our Promoter and certain of our Directors.
- (5) Our past growth rates may not be indicative of our future growth, and if we are unable to adapt to evolving market trends, manage our growth or execute our strategies effectively, our business, financial condition and results of operations may be adversely affected.
- (6) In Fiscals 2020, 2021 and 2022 and six months ended September 30, 2021 and September 30, 2022, we derived 53.30%, 53.69%, 53.05%, 54.99% and 50.82%, respectively, of our revenue from operations from our top five customers and the loss of one or more such clients could adversely affect our business and prospects.
- (7) We may be exposed to certain liabilities pursuant to the terms of our contractual agreements with our clients and the occurrence of such events could adversely affect our business and results of operations.
- (8) We are subject to periodic inspections by SEBI and PFRDA, pursuant to our registration as an RTA and CRA, respectively. Non-compliance with observations made by SEBI and PFRDA during these inspections could expose us to penalties and restrictions.
- (9) We are dependent on the strength and recognition of our brand and reputation, and activities of third-parties and entities, including our prior association to Karvy group, may damage our brand and reputation, which may harm our business.
- (10) Our technology infrastructure, including our disaster recovery site, is reliant on information technology systems of third party providers and is concentrated in the Southern regions of India. In the event of a disaster, our disaster recovery and business continuity plans may fail, which could result in the loss of client data and adversely interrupt operations.

For further discussion on factors that could cause actual results to differ from expectations, see “Risk Factors”, “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 30, 151, 220 and 389, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements

and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect current views as of the date of this Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Promoter Selling Shareholder, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company and the BRLMs will ensure that the investors in India are informed of material developments pertaining to our Company and the Offered Shares from the date of this Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. The Promoter Selling Shareholder shall ensure that investors are informed of material developments in relation to statements and undertakings specifically made or confirmed by such Promoter Selling Shareholder to the extent of information specifically pertaining to itself as a Promoter Selling Shareholder and its portion of the Equity Shares offered in the Offer in this Red Herring Prospectus and the Prospectus until the date of Allotment.

## SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Red Herring Prospectus, including the sections titled “Risk Factors”, “The Offer”, “Capital Structure”, “Objects of the Offer”, “Industry Overview”, “Our Business”, “Our Promoter and Promoter Group”, “Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Outstanding Litigation and Material Developments” and “Offer Structure”, beginning on pages 30, 79, 95, 125, 151, 220, 297, 302, 389, 423 and 461, respectively.

### Summary of business

We are a leading 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 provide several investor solutions including transaction origination and processing for mutual funds and private retirement schemes in Malaysia, Philippines and Hong Kong. (Source: CRISIL Report)

### Summary of industry

The aggregate assets under management of the Indian mutual fund industry has grown at a healthy pace over the past 10 years, against the backdrop of an expanding domestic economy, robust inflows, and rising investor participation, particularly from individual investors. The mutual fund industry in Southeast Asian countries has been on the rise owing to its large and growing population and uptick in affluence across all income groups. According to Preqin, the global alternative asset under management is expected to nearly double over the next five fiscals, swelling to USD 23.2 trillion by fiscal 2026 from an estimated USD 13.3 trillion at end of fiscal 2021. The wealth management industry has seen robust growth over a low base, because of fresh investments from household savings going into organized financial assets, and increasing need for customization, with clients typically asking advice for asset management, financial planning, tax planning, estate planning, and succession planning. Over the last six years, the equity portfolio management services industry has seen significant growth, with the market becoming more mature, increasing number of High Networth Individuals, greater need for customized asset allocation based on risk-return profiling, and growing awareness of equity portfolio management services as a product. CRISIL MI&A estimates the investor solutions market in India to be approximately ₹14-15 billion in Fiscal 2022.

### Name of Promoter

Our Promoter is General Atlantic Singapore Fund Pte. Ltd. For further details, see “Our Promoter and Promoter Group” on page 297.

### Offer size

Offer for Sale <sup>(1)</sup>	The offer for sale of up to [●] Equity Shares aggregating up to ₹ 15,000 million by the Promoter Selling Shareholder.
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<sup>(1)</sup>The Offer has been authorised by our Board pursuant to its resolution dated March 24, 2022. Further, our Board has taken on record the consent of the Promoter Selling Shareholder for participation in the Offer for Sale on March 24, 2022 and December 10, 2022.

<sup>(2)</sup>The Offered Shares being offered by the Promoter Selling Shareholder pursuant to the Offer for Sale are eligible for being offered for sale as part of the Offer in terms of Regulation 8 and 8A of the SEBI ICDR Regulations. For further details of authorisations pertaining to the Offer for Sale, see “Other Regulatory and Statutory Disclosures” on page 437.

The above table summarises the details of the Offer. For further details of the offer, see “The Offer” and “Offer Structure” on pages 79 and 461, respectively.

The Offer shall constitute [●]% of the post Offer paid up Equity Share capital of our Company.

### Objects of the Offer

The objects of the Offer are to (i) carry out the Offer for Sale of up to [●] Equity Shares by the Promoter Selling Shareholder; and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges. Our Company will not receive any proceeds from the Offer, and all such proceeds will go to the Promoter Selling Shareholder.

For further details, see “Objects of the Offer” beginning on page 125.

## Aggregate pre-Offer shareholding of Promoter Selling Shareholder, Promoter and Promoter Group

(a) The aggregate pre-Offer shareholding of our Promoter, member of the Promoter Group and Promoter Selling Shareholder as a percentage of the pre-Offer paid-up Equity Share capital of the Company is set out below:

S. No.	Name of the Shareholder	No. of Equity Shares held	% of total pre-Offer paid up Equity Share capital
<b>Promoter and Promoter Selling Shareholder</b>			
1.	General Atlantic Singapore Fund Pte. Ltd.	123,009,706	73.41
<b>Promoter Group</b>			
1.	General Atlantic Singapore KFT Pte. Ltd.	1,608,503	0.96
<b>Total</b>		<b>124,618,209</b>	<b>74.37</b>

(b) The details of the price at which Equity Shares were acquired in the three years preceding the date of this Red Herring Prospectus, by our Promoter, members of the Promoter Group, Promoter Selling Shareholder and shareholders entitled with right to nominate Directors or any other rights, are as follows:

(i) Equity Shares

S. No.	Name of the acquirer/shareholder	Date of acquisition of Equity Shares	Number of Equity Shares acquired	Acquisition price per Equity Share
<b>Promoter and Promoter Selling Shareholder<sup>#</sup></b>				
1.	General Atlantic Singapore Fund Pte. Ltd.	-	-	-
<b>Promoter Group<sup>#</sup></b>				
1.	General Atlantic Singapore KFT Pte Ltd	July 28, 2021	1,608,503	120.30
<b>Shareholders with right to nominate directors or any other rights<sup>*</sup></b>				
1.	Kotak Mahindra Bank Limited	November 10, 2021	16,725,100	185.35

<sup>\*</sup> In accordance with Article 4.2.1 of Part A of the Articles of Association of the Company,

“(a) 1 (one) Director, in the event the shareholding is lower of: (i) 12,543,825 (one crore twenty-five lakhs forty-three thousand eight hundred and twenty-five) Equity Shares (as appropriately adjusted for any Corporate Event(s)); and (ii) 7.5% (seven point five percent) of the Share Capital but is less than 26% (twenty six percent) of the Share Capital; and

(b) 2 (two) Directors, in the event such Identified Shareholder (along with its respective Permitted Transferees) holds at least 26% (twenty six percent) but less than 50% (fifty percent) of the Share Capital; and

(c) 3 (three) Directors, in the event such Identified Shareholder (along with its respective Permitted Transferees) holds at least 50% (fifty percent) of the Share Capital.”

<sup>#</sup> Also have right to nominate Directors in accordance with Article 4.2.1 of Part A of the Articles of Association of the Company.

(ii) Preference Shares

S. No.	Name of the acquirer/shareholder	Date of acquisition of Equity Shares	Number of Equity Shares acquired	Acquisition price per Equity Share
<b>Promoter and Promoter Selling Shareholder</b>				
	NIL	-	-	-
<b>Promoter Group</b>				
	NIL	-	-	-
<b>Shareholders with right to nominate directors or any other rights</b>				
	NIL	-	-	-

## Summary of Financial Statements

The following details are derived from the Restated Consolidated Financial Information:

(In ₹ million except per share data)

Particulars	As at and for the six months period ended September 30, 2022	As at and for the six months period ended September 30, 2021	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Equity Share capital	1,675.69	1,508.43	1,675.69	1,508.43	1,508.43
Net Worth <sup>(1)#</sup>	7,367.16	2,699.52	6,443.43	3,464.04	4,095.76
Revenue from Operations	3,487.68	2,909.01	6,395.07	4,811.44	4,498.71
Profit/(loss) for the period / year	853.45	678.00	1,485.49	(645.07)	45.23



Particulars	As at and for the six months period ended September 30, 2022	As at and for the six months period ended September 30, 2021	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Earnings/(loss) per share (in ₹)					
- Basic	5.09	4.49	9.44	(4.28)	0.28
- Diluted	5.05	4.49	9.36	(4.28)	0.28
Net asset value per Equity Share (in ₹) <sup>(2)#</sup>	43.96	17.90	38.45	22.96	27.15
Total Borrowings (net-off transaction costs) <sup>(3)</sup>	1,262.35	3,214.37	1,225.14	3,461.34	3,754.38

Notes:

- (1) Net Worth means total equity attributable to the owners of the Company
- (2) Net asset value per equity share means total equity attributable to the owners of the Company divided by the outstanding number of equity shares at the end of the period / year.
- (3) Total borrowings means non-current borrowings including short term borrowings and current borrowing and excludes transaction cost.

# For a reconciliation of these numbers, see “Other Financial Information – Reconciliation to Non-GAAP Measures” on page 383.

For further details see “Financial Information” and “Basis for Offer Price” on pages 302 and 128.

### Qualifications of the Auditors

The Restated Consolidated Financial Information do not contain any qualification which have been given effect to.

### Summary of Outstanding Litigation and Material Developments

A summary of outstanding litigation proceedings involving our Company, our Subsidiaries, our Promoter, Directors and our Group Companies, as on the date of this Red Herring Prospectus as disclosed in the section titled “Outstanding Litigation and Material Developments” in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Disciplinary actions by the SEBI or Stock Exchanges against the Promoter	Material civil litigation**	Aggregate amount involved * (in ₹ million)
<b>Company</b>						
By our Company	6	Nil	Nil	NA	Nil	10.61
Against our Company	3	8	1	NA	Nil	34.85
<b>Subsidiaries</b>						
By our Subsidiaries	Nil	Nil	Nil	NA	Nil	Nil
Against our Subsidiaries	Nil	Nil	Nil	NA	Nil	Nil
<b>Directors</b>						
By the Directors	Nil	Nil	Nil	NA	Nil	Nil
Against our Directors	1	Nil	Nil	NA	1	30
<b>Promoter</b>						
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
<b>Group Companies<sup>#</sup></b>						
By the Group Companies	Nil	Nil	Nil	NA	Nil	Nil
Against the Group Companies	Nil	Nil	Nil	NA	2	3,295.75

\* To the extent quantifiable

\*\*This comprises the pending proceedings which may have a material impact on our Company and our Subsidiaries, in accordance with the Materiality Policy.

#In accordance with the Materiality Policy

### **Brief summary of the criminal litigations by Central Bureau of Investigation and Enforcement Directorate against our Company**

The following criminal litigations were initiated against KCPL and have been transferred to our Company pursuant to the Scheme of Amalgamation. For details of the Scheme of Amalgamation, please see “History and Certain Corporate

*Matters - Scheme of Amalgamation” on page 263.*

- (i) On October 30, 2007, Central Bureau of Investigation registered a criminal case under relevant sections of the Indian Penal Code, 1860 including Sections 120-B and 420, the Prevention of Corruption Act, 1988 and the Companies Act, 1956 against Karvy Consultants Limited, Karvy Computershare Private Limited and several other entities (“**Criminal Case**”). The Criminal Case was registered on the basis of a complaint made by R. Ravichandran, the then chief general manager of SEBI, alleging fraud committed in the initial public offer of shares of YES Bank Limited. The matter is currently pending.
- (ii) On September 29, 2007, Central Bureau of Investigation registered a criminal case under relevant sections of the Indian Penal Code, 1860 including Sections 120-B and 420, the Prevention of Corruption Act, 1988 and the Companies Act, 1956 against Karvy Consultants Limited, Karvy Computershare Private Limited and several other entities (“**Criminal Case**”). The Criminal Case was registered on the basis of a complaint made by R. Ravichandran, the then chief general manager of SEBI, alleging fraud committed in the initial public offer of shares of Infrastructure Development Finance Company Limited. The matter is currently pending.
- (iii) The Deputy Director, Directorate of Enforcement, filed Prevention of Money Laundering Act, 2002 prosecution complaint and a supplementary complaint against Karvy Consultants Limited, Karvy Computershare Private Limited and Karvy Stock Broking Limited and several other persons including employees of Karvy Consultants Limited, Karvy Computershare Private Limited and Karvy Stock Broking Limited, before the Court of Designated Judge under the Prevention of Money Laundering Act, 2002, Honourable Special Court under Prevention of Money Laundering Act, 2002 at Mumbai, on August 29, 2013, alleging money laundering under Section 3 of the Prevention of Money Laundering Act, 2002. The matter is currently pending.

The impact of the foregoing pending proceedings is not ascertainable and has consequently not been quantified in monetary terms.

For further details of the pertaining to the foregoing matters and other outstanding litigation proceedings, see “*Outstanding Litigation and Material Developments*” on page 423.

## **Risk Factors**

Specific attention of Investors is invited to the section “*Risk Factors*” beginning on page 30.

## **Summary of contingent liabilities of our Company**

Details of contingent liabilities of our Company as at September 30, 2022, is as under:

*(In ₹ million)*

Particulars	As at September 30, 2022
(a) Customer claims not acknowledged as debts	58.68
(b) Income-tax matters	17.54
(c) Service tax matters	-
(d) Goods and service tax matters	17.31

For details of the contingent liabilities, see “*Financial Information*” beginning on page 302.

## **Summary of Related Party Transactions**

Summary of the related party transactions as per Ind AS 24-Related Party Disclosures, read with the SEBI ICDR Regulations, derived from Restated Consolidated Financial Information, is as follows:

*(in ₹ million)*

Particulars	For the six months period ended 30 September 2022	For the six months period ended 30 September 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>i) Holding Group</b>					
<b>General Atlantic Singapore Fund Pte Ltd</b>					
Buy back of equity shares (including taxes)	-	-	-	-	927.02
Reimbursement of IPO related expenses	77.92	-	84.72	-	-

Particulars	For the six months period ended 30 September 2022	For the six months period ended 30 September 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>ii) Wholly owned subsidiaries</b>					
<b>a) KFin Technologies (Malaysia) SDN.BHD</b>					
Fee from investor service	(47.31)	(36.46)	(109.04)	(109.42)	(64.23)
Reimbursement of Expenses	16.04	-	-	-	-
<b>b) KFin Technologies (Bahrain) W.L.L.</b>					
Dividend income received	-	(30.34)	(30.34)	-	(25.48)
<b>c) KFin Services Private Limited</b>					
Investment in equity shares	-	45.00	55.00	-	0.10
Reimbursement of expenses	-	4.33	3.60	5.45	0.09
<b>d) Hexagram Fintech Private Limited</b>					
Investment in equity shares	30.00	-	65.00	-	-
Share based payment expenses	2.55	-	-	-	-
Professional charges	2.00	-	-	-	-
<b>iii) Enterprise where promoters/ promoter group hold significant influence:</b>					
<b>Ochre &amp; Black Private Limited</b>					
Fee from investor services	-	-	(0.01)	(0.01)	-
<b>Krishna Institute of Medical Sciences Limited</b>					
Fee from investor services	-	-	-	(0.01)	(0.01)
<b>Karvy Stock Broking Limited</b>					
Purchase of securities	-	-	-	-	4.19
Sale of securities	-	-	-	-	16.38
Fee from investor services	-	-	-	-	(0.80)
Reimbursement of expenses	-	-	-	-	1.07
<b>Karvy Data Management Services Limited</b>					
Rent expenses	-	-	-	-	16.85
Professional charges	-	-	-	-	1.73
Fee from investor services	-	-	-	-	(0.59)
Reimbursement of expenses	-	-	-	-	(1.28)
<b>Compar Estates and Agencies Private Limited</b>					
Buy back of equity shares (including taxes)	-	-	-	-	167.50
<b>Parthasarathy Comandur HUF</b>					
Buy back of equity shares (including taxes)	-	-	-	-	18.07
<b>iv) Key Management Personnel*</b>					
Short-term employee benefits					
- Remuneration paid	23.52	12.24	31.27	42.62	25.00
- Incentives/ Bonus paid	3.00	3.35	15.35	14.75	71.15
- Professional fee paid	-	-	-	-	16.10
- Buy back of equity shares (including taxes)	-	-	-	-	14.96

Particulars	For the six months period ended 30 September 2022	For the six months period ended 30 September 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
- Share-based payment	11.39	16.87	34.73	11.56	12.12
- Reimbursement of expenses	1.54	-	-	-	-
<b>v) Relatives of KMP</b>					
Buy back of equity shares (including taxes)	-	-	-	-	29.26
<b>Transactions with the related parties by Subsidiaries Companies (whether eliminated or not in the Restated Consolidated Financial Statement)</b>					
<b>(a) In the books of Hexagram Fintech Private Limited</b>					
Hexagram Fintech SDN. BHD.					
Fee from investor service	0.71	-	-	-	-
<b>(b) In the books of Hexagram Fintech SDN. BHD.</b>					
Hexagram Fintech Private Limited					
Professional charges	0.71	-	-	-	-

Our Company has not entered into any related party transactions with Karvy Stock Broking Limited, Karvy Data Management Services Limited and Compar Estates and Agencies Private Limited, post November 23, 2019. For further details of the related party transactions, as per the requirements under Ind AS 24 'Related party transactions' see "Related Party Transactions" on page 388.

#### Financing Arrangements

There have been no financing arrangements whereby our Promoter, members of the Promoter Group, directors of our Promoter, our Directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of business of the financing entity, during a period of six months immediately preceding the date of the Draft Red Herring Prospectus and this Red Herring Prospectus.

#### Average cost of acquisition for Promoter Selling Shareholder

The average cost of acquisition per Equity Share for the Promoter Selling Shareholder is:

Sr. No.	Name of the Promoter Selling Shareholder	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹)*
1.	General Atlantic Singapore Fund Pte. Ltd.	123,009,706	74.06

\*As certified by M H A & Associates LLP, Chartered Accountants, by their certificate dated December 10, 2022.

For further details of the average cost of acquisition for our Promoter, see "Capital Structure – Build-up of Promoter's shareholding in our Company" at page 100.

#### Weighted average price at which the Equity Shares were acquired by our Promoter Selling Shareholder in the one year preceding the date of this Red Herring Prospectus

Sr. No.	Name of the Promoter Selling Shareholder	Number of Equity Shares acquired	Weighted average price (in ₹)*
1.	General Atlantic Singapore Fund Pte. Ltd.	Nil	NA

\*As certified by M H A & Associates LLP, Chartered Accountants, by their certificate dated December 10, 2022.

#### Weighted average cost of acquisition for all Equity Shares transacted in one year and three years preceding the date of this Red Herring Prospectus

The weighted average cost for all Equity Shares acquired in one year, 18 months and three years preceding the date of this Red Herring Prospectus is as set out below:

Period	Weighted average cost of acquisition^ (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition*	Range of acquisition price: Lowest Price – Highest Price^ (in ₹)
Last one year	-	[●]	Lowest – NA Highest – NA

Period	Weighted average cost of acquisition <sup>^</sup> (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition*	Range of acquisition price: Lowest Price – Highest Price <sup>^</sup> (in ₹)
Last 18 months	185.35	[●]	Lowest – 70.36 per equity share Highest – 185.35 per equity share
Last three years	185.35	[●]	Lowest – 70.36 per equity share Highest – 185.35 per equity share

\*Information of Cap Price will be included after finalization of the Price Band

<sup>^</sup>As certified by M H A & Associates LLP, Chartered Accountants, by their certificate dated December 10, 2022.

### **Issue of Equity Shares for consideration other than cash in the last one year**

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Red Herring Prospectus.

### **Details of pre-IPO placement**

Our Company is not contemplating a pre-IPO placement.

### **Split/Consolidation of equity shares of our Company in the last one year.**

There has been no split or consolidation of the Equity Shares of our Company in the last one year preceding the date of this Red Herring Prospectus.

### **Exemption from complying with any provisions of securities laws, if any, granted by SEBI**

- (i) SEBI has pursuant to its letter dated October 14, 2022 bearing reference number SEBI/HO/CFD/RAC-DIL-1/P/OW/2022/52552/1 in response to our exemption application dated August 17, 2022 read with the addendum to the exemption application dated October 4, 2022, granted an exemption under Regulation 300(1)(c) of the SEBI ICDR Regulations in respect of the information and confirmations required from KDMSL, KSBL and Compar, group companies of the Company under the SEBI ICDR Regulations, to the extent not available or accessible to the Company from publicly available information published on the websites of government and regulatory bodies / authorities and stock exchanges;
- (ii) SEBI has pursuant to its letter dated October 14, 2022 bearing reference number SEBI/HO/CFD/RAC-DIL-1/P/OW/2022/52550/1 in response to our exemption application dated October 1, 2022 granted an exemption from the strict enforcement of Regulation 17 of the SEBI ICDR Regulations in relation to the imposition of the statutory lock-in on the KFin Subject Shares in view of the ED Orders.

In order to comply with (i) the submissions and undertakings made to SEBI in exemption applications dated October 1, 2022 and August 17, 2022, and the addendum to the exemption application dated October 4, 2022, and (ii) the conditions prescribed by SEBI in their letters dated October 14 2022, our Company has made relevant disclosures in this RHP. In respect of the aforementioned letters dated October 14, 2022, our Company is obligated to comply with certain on-going general conditions by providing relevant disclosures in the RHP and the Prospectus and inform SEBI, if required. While our Company shall endeavour to comply with the conditions in a timely manner, any inability of the Company to comply with the general conditions may have an adverse impact on the Offer.

## SECTION II – RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below before making an investment in the Equity Shares. This section should be read in conjunction with “Industry Overview”, “Our Business”, “Key Regulations and Policies”, “Financial Statements”, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 151, 220, 251, 302 and 389, respectively, as well as other financial information included elsewhere in this Red Herring Prospectus, before making an investment decision in relation to the Equity Shares. In making an investment decision, you must rely on your own examination of us and the terms of the Offer, including the merits and risks involved, and you should consult your tax, financial and legal advisors about the particular consequences of investing in the Offer. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.*

*In this section, we have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industries or geographies in which we currently operate or propose to operate. Unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business, results of operations, financial condition and cash flows. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section. If any or a combination of the following risks, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, cash flows, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment.*

*Unless otherwise stated, references in this section to “we”, “our” or “us” (including in the context of any financial information) are to the Company along with its Subsidiaries, on a consolidated basis. Additionally, please refer to “Definitions and Abbreviations” on page 4 for certain terms used in this section. Our financial year ends on March 31 of every year, so all references to a particular financial year are to the twelve-month period ended March 31 of that year.*

*This Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties and other factors, many of which are beyond our control. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the considerations described below. For details, see “Forward Looking Statements” on page 21.*

*A scheme of amalgamation was filed before the National Company Law Tribunal (“NCLT”), Hyderabad, between KCL, KCPL and our Company for the demerger of all assets and liabilities pertaining to the registrar and share transfer business of KCL (including but not limited to the equity investment of KCL in KCPL) into our Company on a going concern basis, the amalgamation of KCPL into our Company and the consequent dissolution of KCPL without winding up (“Scheme of Amalgamation”). The NCLT, Hyderabad, sanctioned and confirmed the Scheme of Amalgamation pursuant to an order dated October 23, 2018, which was effective from November 17, 2018. For further details, see “History and Certain Corporate Matters” on page 258.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled “Assessment of Investor and Issuer Solutions industry across asset classes in India, Southeast Asia and Hong Kong” dated November 25, 2022 which is exclusively prepared for the purposes of the Offer and issued by CRISIL and is commissioned and paid for by our Company (the “**CRISIL Report**”). CRISIL was appointed by our Company pursuant to an engagement letter dated December 21, 2021. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Also see, “Certain Conventions, Currency of Presentation, Use of Financial Information, Industry and Market Data– Industry and Market Data” on page 17 and “-We have commissioned and paid for an industry report which is exclusively prepared for the purposes of the Offer and issued by CRISIL which has been used for industry related data in this Red Herring Prospectus. Accordingly, prospective investors should not base their investment decision solely on the information in the CRISIL Report.” on page 68.*

*We have included various operational and financial performance indicators in this Red Herring Prospectus, some of which may not be derived from our Restated Consolidated Financial Information or otherwise subjected to an examination, audit or review or any other services by our Statutory Auditors, or any other expert. The manner of*

calculation and presentation of some of the operational and financial performance indicators, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions.

## Internal Risk Factors

1. ***Our erstwhile promoters are subject to ongoing investigations by enforcement agencies, including Enforcement Directorate, Ministry of Finance, Government of India (“ED”) and the outcome of such investigations may adversely impact our Company and the market price of our Equity Shares.***

On September 23, 2021, our Company received a summons, dated September 22, 2021, from the ED directing the presence of our Managing Director on September 23, 2021, in connection with certain investigations being conducted by the ED under the provisions of the Prevention of Money Laundering Act, 2002 (“PMLA”), against Karvy Stock Broking Limited (“KSBL”) and others. Mr. Sreekanth Nadella, our Managing Director and Chief Executive Officer, met with the ED on September 23, 2021 pursuant to this summons. Subsequently, on September 24, 2021, our Company received a freezing order from the ED (File No. ECIR/HYZO/14/2021) (“Freezing Order”), pursuant to which, among other things, the CP Group (i.e., Compar Estates and Agencies Private Limited, Mr. C. Parthasarathy, C. Parthasarathy – HUF and Rajat Parthasarathy (collectively, the “Restricted Shareholders” or “CP Group”)) was, instructed not to alienate/ sell/ transfer/ create any lien/ liability in respect of the following Equity Shares of our Company (“KFin Subject Shares”):

	<b>Name of Restricted Shareholder</b>	<b>No. of KFin Subject Shares</b>	<b>Shareholding percentage as on the date hereof (%)</b>
1.	C. Parthasarathy	16,44,907	0.98%
2.	Rajat Parthasarathy	16,08,503	0.96%
3.	Compar Estates and Agencies Private Limited	18,414,296	10.99%
4.	C. Parthasarathy – HUF (Karta – C. Parthasarathy)	1,986,974	1.19%
<b>Total KFin Subject Shares</b>		<b>23,654,680</b>	<b>14.12%</b>

In addition to the above, the KFin Subject Shares have been subjected to a provisional attachment order dated March 8, 2022, issued by the ED (“Attachment Order”, and, collectively with the Freezing Order, “ED Orders”) for a period of 180 days starting from March 8, 2022; or until an order is passed by the adjudicating authority under section 8(3) of PMLA permitting the transfer, disposal, parting with or otherwise dealing with the KFin Subject Shares. The outcome of such investigation involving our erstwhile promoters, including Mr. C. Parthasarathy may adversely impact our Company and the market price of our Equity Shares.

Additionally, the KFin Subject Shares, aggregating to 14.12% of our Company’s equity share capital, are subjected to encumbrances in the nature of non-disposal undertakings and blocked positions. These encumbrances are in favor of certain lenders of the CP Group, including HDFC Bank Limited and ICICI Bank Limited, based on the beneficiary position dated December 9, 2022 and the public information available on the website of the Bombay High Court and the Debt Recovery Tribunal, Hyderabad. The KFin Subject Shares are not liquidated by the ED as of the date of this Red Herring Prospectus, based on certain publicly available information published on the websites of the government and regulatory bodies / authorities, and stock exchanges only to the extent available and accessible to our Company (“Publicly Available Information”). Any action to liquidate such KFin Subject Shares by the ED may adversely impact our Company and the market price of our Equity Shares. For further details, see “- The Equity Shares held by certain members of the CP Group are subject to encumbrances in favor of their lenders. Any enforcement of encumbrances by such lenders may have an adverse impact on the market price of the Equity Shares of the Company.” on page 48. Our inability to comply with directions and orders from the ED, for any reason, may adversely impact our reputation and financial condition.

SEBI has, pursuant to its letter dated October 14, 2022, granted an exemption from the strict enforcement of Regulation 17 of the SEBI ICDR Regulations in relation to the imposition of the statutory lock-in on the KFin Subject Shares in view of the ED Orders. Further, SEBI has, pursuant to another letter dated October 14, 2022, granted an exemption under Regulation 300(1)(c) of the SEBI ICDR Regulations in respect of the information and confirmations required from certain Group Companies of our Company under the SEBI ICDR Regulations, namely, KDMSL, KSBL and Compar, to the extent not available or accessible to us from Publicly Available Information.

In order to comply with (i) the submissions and undertakings made to SEBI in our exemption applications dated August 17, 2022 and October 1, 2022, and the addendum to the exemption application dated October 4, 2022, and (ii) the conditions prescribed by SEBI in its letters dated October 14, 2022, we have made relevant disclosures in this Red Herring Prospectus. In respect of the two aforementioned letters dated October 14, 2022, we are obligated to comply with certain on-going general conditions by providing relevant disclosures in this Red Herring Prospectus and the Prospectus and inform SEBI, if required. While we shall endeavor to comply with the conditions in a timely manner, our inability to comply with the general conditions may have an adverse impact on our ability to proceed with the Offer.

2. ***Significant disruptions in our information technology systems or breaches of data security could adversely affect our business and reputation.***

We are a leading 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 on account of reasons specified in “*Our Business*” section on page 220. We also provide investor solutions including transaction origination and processing for mutual funds and private retirement schemes in Malaysia, Philippines and Hong Kong. We provide several critically important services to the Indian capital markets ecosystem. Our clients utilize our platform for our different service offerings for a substantial part of their operational requirements. Our technology products, solutions and platforms help our clients to focus on their core business functions such as investment management and sales and marketing functions whilst entrusting bulk of operational front office, middle office and back office activities to our platform. Many of our services are provided through the internet, which also increases our exposure to potential cybersecurity attacks including viruses, ransomware and spam attacks. Although we have not experienced cybersecurity threats to our information technology infrastructure in the past, any future threats could cause harm to our business and our reputation and challenge our ability to provide reliable services to our clients. Further, the size and complexity of our information technology systems may make them potentially vulnerable to breakdowns. Our financial, accounting, or other IT or data processing systems may fail to operate adequately, or at all, because of events that are beyond our control, including a disruption of electrical or communications services in the markets in which we operate. Our insurance coverage may not be adequate to cover all the costs related to any future cybersecurity attacks or disruptions resulting from such events. For further details, see “*-Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.*” on page 65.

Our Company is registered with SEBI as a ‘registrar to an issue and share transfer agent’ (“**RTA**”) pursuant to the SEBI RTA Regulations and is required to comply with several circulars issued by SEBI from time to time, which are applicable to a qualified RTA (“**QRTA**”) in India. SEBI’s circular dated August 10, 2018 (“**SEBI Enhanced Monitoring of QRTAs Circular**”) on enhanced monitoring of QRTAs requires us to formulate and implement a comprehensive policy framework which, among others, includes a risk management policy, a business continuity plan, wind-down plan and a data access and data protection policy. The SEBI Enhanced Monitoring of QRTAs Circular also requires us to ensure integrity of our operations by prescribing the minimum standards, protocol and procedures for smooth running of operations, to protect the investor data and maintain information security, and requires our Board to seek reports on incidents having an impact on investor protection including data security breaches. Further, we are required to constitute an IT Strategy Committee. Additionally, the SEBI circular dated September 8, 2017 requires us to formulate a comprehensive cyber security and cyber resilience policy based on the framework prescribed therein. This SEBI circular has been further amended on July 6, 2022 which requires QRTAs to report all cyber-attacks, threats, cyber-incidents and breaches experienced by them within six hours of noticing/detecting such incidents. The incidents should also be reported to the Indian Computer Emergency Response team. Further, QRTAs are also required to submit quarterly reports on cyber-attacks to SEBI. While we are in compliance with the prescribed regulatory requirements, as described above, any cybersecurity attacks or other disruptions to our information technology systems may result in a violation of such regulatory requirements and consequent regulatory action and/or penalties, harming our business and our reputation. See “*Key Regulations and Policies – SEBI circular – Enhanced monitoring of Qualified Registrars to an Issue and Share Transfer Agents (“QRTAs”) dated August 10, 2018* ” and “*Key Regulations and Policies– SEBI circular – Cyber Security and Cyber Resilience framework for Registrars to an Issue / Share Transfer Agents dated September 8, 2017* ” and “*Key Regulations and Policies– SEBI circular – Cyber Security & Cyber Resilience framework for Qualified Registrars to an Issue / Share Transfer Agents dated October 15, 2019 (“SEBI Cyber Security Circular II”)*” and “*Key Regulations and Policies– SEBI circular – Cyber Security & Cyber Resilience framework for Qualified Registrars to an Issue / Share Transfer Agents dated May 27, 2022 (“SEBI Cyber Security Circular III”)*” and “*Key Regulations and Policies – SEBI circular - Cyber Security & Cyber Resilience framework for Qualified Registrars to an Issue / Share Transfer Agents dated July 06, 2022 (“SEBI Cyber Security Circular IV”)*” on pages 252, 253, 253, 254 and 254.



We may also face cyber threats such as (i) phishing and trojans – targeting our customers, wherein fraudsters send unsolicited mails to our customers seeking account sensitive information or to infect customer machines to search and attempt ex-filtration of account sensitive information; (ii) hacking – wherein attackers seek to hack into our website with the primary intention of causing reputational damage to us by disrupting services; (iii) data theft – wherein cyber criminals may attempt to intrude into our network with the intention of stealing our data or information; and (iv) advanced persistent threat – a network attack in which an unauthorized person gains access to our network and remains undetected for a long period of time with an intention to steal our data or information rather than to cause damage to our network or organization. Because techniques used to sabotage or obtain unauthorized access to systems change frequently and frequently are not recognized until successfully launched against a target, we may be unable to anticipate all such techniques, or react in a timely manner or implement adequate preventative measures against such techniques. We devote significant financial and personnel resources to implement and maintain security measures; however, as cybersecurity threats develop, evolve and grow more complex over time, it may be necessary to make further investments to protect our data and infrastructure.

A security breach suffered by us or our third-party service providers, an attack causing outages or unavailability of our solutions and services, or any unauthorized, accidental or unlawful access or loss of data, or the perception that any such event has occurred, could result in a disruption to our solutions and services, litigation, an obligation to notify regulators and affected individuals, the triggering of service availability, indemnification and other contractual obligations to our clients, regulatory investigations, government fines and penalties, reputational damage, loss of sales and clients, mitigation and remediation expenses and other significant costs and liabilities. In addition, we may incur significant costs and operational consequences of investigating, remediating, eliminating and putting in place additional tools and devices designed to prevent future actual or perceived security incidents, as well as the costs to comply with any notification or other obligations resulting from any security incidents. Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. The reliability and security of our information technology systems is critical to our operations and the implementation of our growth initiatives. Any material disruption in our information technology systems, or delays or difficulties in implementing or integrating new systems or enhancing current systems, could have an adverse effect on our business, and results of operations. Although we have not experienced any disruptions to our information technology systems in the past, we cannot assure you that we will not encounter disruptions in the future.

Our systems are also potentially vulnerable to data security breaches, whether by our employees, or our service providers or others that may expose sensitive data to unauthorized persons. We process and transfer data, including personal information, financial information and other confidential data provided to us by our clients. Although we maintain systems and procedures to prevent unauthorized access and other security breaches, it is possible that unauthorized individuals could improperly access our systems, or improperly obtain or disclose sensitive data that we process or handle. Data security breaches could lead to the loss of intellectual property or could lead to the public exposure of personal information (including sensitive financial and personal information) of our clients' investors or our employees. Any such security breaches or compromises of technology systems could result in institution of legal proceedings against us and potential imposition of penalties, which may have an adverse effect on our business and reputation.

- 3. A decline in the growth, value and composition of AAUM of the mutual funds managed by our clients may adversely impact the average revenue earned by us from mutual funds and may have a significant adverse impact on future revenue and profit. The average revenue earned based on AAUM from our mutual fund clients as a percentage of our revenue from operations for Fiscals 2020, 2021 and 2022 was 60.79%.***

Our mutual fund clients contribute towards a significant portion of our revenue from operations. The following table sets forth our revenue based on AAUM from mutual fund clients and as a percentage of our revenue from operations for the periods indicated:

Fiscal						Six Months Ended September 30,			
2020		2021		2022		2021		2022	
(in ₹ million)	(% of revenue from operations)	(in ₹ million)	(% of revenue from operations)	(in ₹ million)	(% of revenue from operations)	(in ₹ million)	(% of revenue from operations)	(in ₹ million)	(% of revenue from operations)
2,580.22	57.35%	2,895.99	60.19%	4,145.75	64.83%	1,922.62	66.09%	2,224.32	63.78%

A substantial portion of the fees that we charge our mutual fund clients is calculated and charged on basis points of the AAUM of the funds serviced by us. Our fee structure therefore is not directly linked to our expenses and we may incur costs that we may be unable to pass on to our clients. In addition, the fees that we charge our clients differs between asset classes of mutual funds. For instance, we charge higher fees for equity funds than we do for debt funds. Consequently, any reduction or change in the composition of AAUM of the funds managed by our clients, including on account of the COVID-19 pandemic, could adversely affect our revenue and profit.

The following table sets forth the change in the AAUM, our revenue from AAUM and our revenue as a percentage of AAUM for the periods indicated:

Particulars	Fiscal			Six Months Ended September 30,	
	2020	2021	2022	2021	2022
AAUM (in ₹ billion) <sup>1</sup>	7,233.34	9,105.12	11,970.29	10,884.36	12,299.28
Revenue from AAUM (in ₹ million)	2,580.22	2,895.99	4,145.75	1,922.62	2,224.32
Revenue from AUM as a percentage of AAUM (%) <sup>2</sup>	0.04	0.04	0.04	0.04	0.04

<sup>1</sup>The information is based on quarterly average for the last quarter of the relevant period.

<sup>2</sup> On an annualized basis.

The AAUM may decline or fluctuate for various reasons, most of which are outside our control. Factors that could cause the AAUM of the funds managed by our clients to decline include the following:

- *Equity securities:* A large number of the funds managed by our clients include significant equity investments and as such they make up a significant portion of AAUM. Prices for equity shares and equity related instruments are volatile and prone to price fluctuations on a daily basis. The decline in prices of equity shares may result in decline in AAUM managed by our clients. Ability to sell listed shares is limited by the overall trading volume on the stock exchanges, which may result in the funds incurring losses until the security can be finally sold. Securities, which are not listed, are generally illiquid and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges. While listed securities carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges and may lead to the relevant schemes incurring losses which cause AAUM managed by our clients to decline and could also impact future inflows. The equity markets have been and may continue to be volatile and any such volatility will contribute to fluctuations in future AAUM managed by our clients.
- *Debt securities and money market instruments:* The value of debt securities and money market instruments held by the funds is generally affected by interest rate fluctuations. The value of fixed income securities may decline as a result of changes in interest rates, an issuer's actual or perceived creditworthiness, an issuer's ability to meet its obligations or any default by an issuer in making its payments when due. Such declines would also result in a decline in AAUM of our clients.
- *Accelerated customer withdrawals or redemptions:* In response to market conditions, inconsistent or poor investment performance, the pursuit of other investment opportunities or other factors, investors may reduce their investments in funds through withdrawals or fund exits or the market segments in which related investments are concentrated. There could be customer redemptions or withdrawals if customers decide to move assets to investments that they perceive as offering greater opportunity or lower risk. There could also be adverse publicity regarding a particular fund or industry leading to fund exits. Such reductions may lead to a decrease in AAUM of our clients and investors may choose not to reinvest with our clients and seek alternative forms of savings.

- *Declines in systematic investment plans:* A portion of the AAUM managed by our mutual fund clients is obtained through systematic investment plans made by investors. Consequently, any decline in the rate of savings, particularly in relation to systematic investment plans could result in a decrease in the AAUM of our clients.
- *Underperformance or decrease in valuation of investment products:* The investment strategies of the schemes managed by our mutual fund clients may lead the schemes to underperform their relevant benchmarks. Any such underperformance, either on an absolute or relative basis, may cause AAUM of the schemes managed by our mutual fund clients to decline. Underperformance could also affect our clients' ability to attract funds from new customers or fund inflows from existing customers may reduce, and third-party financial intermediaries, advisors and consultants may rate their schemes and other investment products poorly, which cause the existing customers to withdraw their funds or reduce asset inflows.

For further details in relation to the decrease in equity AAUM managed by our clients during the COVID-19 pandemic, see “– *The ongoing novel coronavirus (“COVID-19”) pandemic and measures intended to prevent its spread have had, and may continue to have, a material adverse effect on our business and results of operations.*” on page 46.

Further, the amount of investments held by investors through our clients, the level of investor transactional activity we process on behalf of our clients, trading volumes, market prices, and liquidity of the securities markets are affected by general national and international economic and political conditions, and broad trends in business and finance that result in changes in participation and activity in the securities markets. Factors that could affect the securities markets include global economic, political and market conditions, civil unrest, terrorist attacks or war, legislative and regulatory changes, the availability of short-term and long-term capital resources, exchange rates and inflation and national and state taxation levels. These factors are beyond our control and may contribute to reduced levels of participation and activity in the securities markets and in mutual funds. Accordingly, any significant reduction in participation and activity in mutual funds would likely result in lower fees thereby resulting in lower revenues from our operations.

In addition, our issuer solutions business contributed towards 11.60% and 13.38% of our revenue from operations for Fiscal 2022 and six months ended September 30, 2022, respectively. For risks associated with our issuer solutions business, see “– *Our issuer solutions business, contributing 11.60% and 13.38% of our revenue from operations for Fiscal 2022 and six months ended September 30, 2022, respectively, is affected by seasonality, and may also be impacted by client demands and competition, which could result in fluctuations in our operating results.*” on page 53.

**4. *There are outstanding legal proceedings involving our Company, Subsidiaries, Group Companies and certain of our Directors.***

Certain legal proceedings involving our Company, Subsidiaries, Group Companies and certain of our Directors. are pending at different levels of adjudication before various courts, tribunals and authorities.

A summary of outstanding litigation proceedings involving our Company, Subsidiaries, Group Companies and certain of our Directors, as disclosed in “*Outstanding Litigation and Material Developments*” on page 423, as on the date of this Red Herring Prospectus is provided below:

<b>Name</b>	<b>Criminal proceedings</b>	<b>Tax proceedings</b>	<b>Statutory or regulatory actions</b>	<b>Disciplinary actions by the SEBI or Stock Exchanges against the Promoter</b>	<b>Material civil litigation**</b>	<b>Aggregate amount involved * (in ₹ million)</b>
<b>Company</b>						
By our Company	6	Nil	Nil	NA	Nil	10.61
Against our Company	3	8	1	NA	Nil	34.85
<b>Subsidiaries</b>						
By our Subsidiaries	Nil	Nil	Nil	NA	Nil	Nil
Against our Subsidiaries	Nil	Nil	Nil	NA	Nil	Nil
<b>Directors</b>						
By the Directors	Nil	Nil	Nil	NA	Nil	Nil
Against our Directors	1	Nil	Nil	NA	1	30

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Disciplinary actions by the SEBI or Stock Exchanges against the Promoter	Material civil litigation**	Aggregate amount involved * (in ₹ million)
<b>Promoter</b>						
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
<b>Group Companies<sup>#</sup></b>						
By the Group Companies	Nil	Nil	Nil	NA	Nil	Nil
Against the Group Companies	Nil	Nil	Nil	NA	2	3,295.75

\* To the extent quantifiable

\*\*This comprises the pending civil proceedings which may have a material impact on our Company and our Subsidiaries, in accordance with the Materiality Policy.

<sup>#</sup>In accordance with the Materiality Policy

Further, except as disclosed in “*Outstanding Litigation and Material Developments*” on page 423, there are no litigations involving our Group Companies which may have a material impact on our Company.

A brief summary of the outstanding criminal litigations registered/ filed by Central Bureau of Investigations (“**CBI**”) and ED against Karvy Computershare Private Limited (“**KCPL**”), and subsequently transferred to us pursuant to the Scheme of Amalgamation is as follows:

- (i) On October 30, 2007, the CBI registered a criminal case under relevant sections, including Sections 120-B and 420, of the Indian Penal Code, 1860 (“**IPC**”), the Prevention of Corruption Act, 1988 (“**PCA**”) and the Companies Act, 1956 against several entities, including Karvy Consultants Limited (“**KCL**”) and KCPL (“**Criminal Case**”). The Criminal Case was registered on the basis of a complaint made by Mr. R. Ravichandran, the then chief general manager of SEBI, alleging fraud committed in the initial public offering of shares of YES Bank Limited. The matter is currently pending.
- (ii) On September 29, 2007, the CBI registered a criminal case under relevant sections, including Section 120-B and 420 of IPC, PCA and the Companies Act, 1956 against several entities, including KCL and KCPL (“**Criminal Case**”). The Criminal Case was registered on the basis of a complaint made by Mr. R. Ravichandran, the then chief general manager of SEBI, alleging fraud committed in the initial public offering of shares of Infrastructure Development Finance Company Limited. The matter is currently pending.
- (iii) The Deputy Director, Directorate of Enforcement, filed a prosecution complaint and a supplementary complaint under PMLA against several entities, including KCL, KCPL and KSBL and their respective employees, before the Court of Designated Judge at Mumbai on August 29, 2013, alleging money laundering under Section 3 of the PMLA. The matter is currently pending.

For further details, see “*Outstanding Litigation and Material Developments – Litigation against our Company – Criminal Litigation*” on page 424. The impact of the foregoing pending proceedings is not ascertainable and has not been quantified in monetary terms, and therefore is not accounted for by our Company.

We cannot assure that any of the outstanding litigation matters will be settled in favor of our Company, or that no further liability will arise out of these proceedings. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. For details on material litigations which can have an adverse impact on the business, financial performance and reputation of the Company, see “*Outstanding Litigation and Material Developments*”, “– We are subject to periodic inspections by SEBI and PFRDA, pursuant to our registration as an RTA and CRA, respectively. Non-compliance with observations made by SEBI and PFRDA during these inspections could expose us to penalties and restrictions.” and “– Failure to comply with the existing laws and regulations applicable to our business could subject us to enforcement actions and penalties and otherwise harm our business.” on pages 423, 39 and 49, respectively.

In addition to the foregoing, we could also be adversely affected by complaints, claims or legal actions brought against us, before various forums such as courts, tribunals or other regulatory authorities in the ordinary course or otherwise, in relation to our solutions and services, our technology and / or intellectual property or any other acts

/ omissions. There can be no assurance that such complaints or claims will not result in investigations, enquiries or legal actions by any courts, tribunals or regulatory authorities against us.

Such litigation could divert management time and attention and consume financial resources in their defense or prosecution. Should any new developments arise, such as any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities. Further, an adverse outcome in any of these proceedings may affect our reputation, standing and future business, and could have an adverse effect on our business, prospects, financial condition and results of operations.

Further, our Company is arrayed as a pro-forma party to various proceedings in its ordinary course of business, as an intermediary in various business segments, wherein no claim is made against our Company, nor is there any monetary, financial or other implication on us. However, our Company is a party to these proceedings for the limited purposes of providing information / documents from our repository on account of being a service provider and these proceedings may require us to divert our time and resources and may increase our expenses (to the extent not recoverable from the relevant customers).

**5. *Our past growth rates may not be indicative of our future growth, and if we are unable to adapt to evolving market trends, manage our growth or execute our strategies effectively, our business, financial condition and results of operations may be adversely affected.***

We have experienced growth in recent years due to an expansion of our operations and services. Our revenue from operations has increased from ₹ 4,498.71 million in Fiscal 2020 to ₹ 6,395.07 million in Fiscal 2022. Although we have historically derived a significant majority of our revenues from our domestic mutual fund solutions business, we intend to focus on growing the revenue and market share of our other businesses. The number of our operating clients of our domestic mutual funds business was 24 clients as of March 31, 2020 as well as September 30, 2022. In addition, we signed on two new AMCs that are yet to launch operations as on September 30, 2022. Our market share of the domestic mutual funds business based on number of clients as reported by CRISIL has remained the same at 59% in Fiscals 2020 and 2022 and six months ended September 30, 2022. Within investor solutions for Indian mutual funds, we have grown our market share of overall AAUM managed by our clients and serviced by us from 25% for Fiscal 2020 to 32% for September 2022, according to the CRISIL Report. Similarly, our market share of Equity AAUM managed by our clients and serviced by us increased from 29% for Fiscal 2020 to 35% for September 2022, according to the CRISIL Report. For further details in relation to our revenues from our domestic mutual fund solutions business and our market share and trends of domestic mutual funds solutions business, see “*Our Business*” and “*Industry Overview*” on pages 220 and 151, respectively. However, we cannot assure you that we will be successful in implementing such strategy or that we will be able to continue to grow further, or at the same rate. Our other businesses may face several challenges, including obtaining additional governmental or regulatory approvals, successfully marketing our services and maintaining standardized systems and procedures. Further, our services may not be accepted by our clients or meet profitability expectations. To address these challenges, we may have to make significant investments that may not yield desired results or incur costs that we may not be able to recover.

The growth of our business is also dependent on changing global macroeconomic conditions, savings rate and the regulatory framework in the jurisdictions in which we currently operate, which has resulted in increased wealth creation, savings and investments and consequently the client base of the financial institutions that we serve. Such growth of our business and expansion of our client base may place a strain on our management and operations. We believe that our current and anticipated future growth will require implementing new and enhanced communications and information systems, training personnel to operate such systems, and expanding and upgrading core technologies (financial, accounting, administrative and operational infrastructure and internal capabilities). While many of our systems are designed to accommodate additional growth without redesign or replacement, we may nevertheless need to make significant investments in additional hardware and software to accommodate growth. In addition, we cannot assure you that we will be able to predict the timing or rate of this growth accurately or expand and upgrade our systems and infrastructure on a timely basis.

Our anticipated future growth will likely place significant demands on our management and operations. Our success in managing our growth will depend, to a significant degree, on the ability of our senior management and other officers to carry out our strategies effectively, our ability to adapt, improve and develop our financial systems and controls, and office facilities. We may also be unable to recruit, train and manage more employees to support the offering of a wider range of services or improve and expand our sales and marketing capabilities. If we fail to manage our growth or execute our strategies effectively, we may experience operating inefficiencies, dissatisfaction among our client base, and lost revenue opportunities, which may adversely affect our business,

results of operations and financial condition.

6. *In Fiscals 2020, 2021 and 2022 and six months ended September 30, 2021 and September 30, 2022, we derived 53.30%, 53.69%, 53.05%, 54.99% and 50.82%, respectively, of our revenue from operations from our top five customers and the loss of one or more such clients could adversely affect our business and prospects.*

We are dependent on a limited number of customers for a significant portion of our revenue. Our top five customers contributed towards 53.30%, 53.69%, 53.05%, 54.99% and 50.82% of our revenue from operations in Fiscals 2020, 2021 and 2022, and the six months ended September 30, 2021 and 2022, respectively.

The following customers amount to 10% or more of our revenue in the respective period / year:

Customer	Business vertical	For Fiscal 2020		For Fiscal 2021		For Fiscal 2022		For Six Months Ended September 30, 2021		For Six Months Ended September 30, 2022	
		(revenue contribution in ₹ million)	(% of contribution to revenue)	(revenue contribution in ₹ million)	(% of contribution to revenue)	(revenue contribution in ₹ million)	(% of contribution to revenue)	(revenue contribution in ₹ million)	(% of contribution to revenue)	(revenue contribution in ₹ million)	(% of contribution to revenue)
Customer A	Domestic mutual fund solutions	669.62	14.88%	672.16	13.97%	896.69	14.02%	427.06	14.68%	473.07	13.56%
Customer B	Domestic mutual fund solutions	666.08	14.81%	663.57	13.79%	824.44	12.89%	381.93	13.13%	420.12	12.05%
Customer C	Domestic mutual fund solutions	-	-	547.57	11.38%	825.93	12.92%	365.67	12.57%	420.26	12.05%
<b>Total</b>		<b>1,335.70</b>	<b>29.69%</b>	<b>1,883.30</b>	<b>39.14%</b>	<b>2,547.06</b>	<b>39.83%</b>	<b>1,174.66</b>	<b>40.38%</b>	<b>1,313.45</b>	<b>37.66%</b>

Our contracts with such customers are for a fixed term, unless terminated by either party. For our other clients the validity for such contracts ranges between three to five years. We usually negotiate pricing terms with these clients when such contracts are up for renewal and our contracts permit them to terminate their arrangements with us by providing three to six months' written notice, after which they may engage the services of our competitors. For instance, recently, one client sent us a written notice of three months, without cause, terminating their arrangement with us. While the client did not contribute significantly to our revenue from operations in Fiscal 2022 and six months ended September 30, 2022, we cannot assure you that our other clients will not terminate or modify their arrangements with us in the future.

The loss of one or more of our significant clients or a reduction in the amount of business or fees we obtain from them or an adverse change in the determination of the fees that we receive from them could have an adverse effect on our business and results of operations. Our reliance on a select group of customers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. Our dependence on these customers also exposes us to risks associated with their internal management, financial condition and creditworthiness, and major events affecting these clients such as bankruptcy, change of management, mergers and acquisitions, reduction in growth or a slow-down in the business of our customers, could adversely affect our business. We cannot assure you that we will be able to maintain historic levels of business from our significant customers, or that we will be able to significantly reduce customer concentration in the future. The loss of business from any of these customers due to any reason could adversely affect our business, financial

condition and prospects.

**7. We may be exposed to certain liabilities pursuant to the terms of our contractual agreements with our clients and the occurrence of such events could adversely affect our business and results of operations.**

Certain of our contracts with our clients include provisions pursuant to which we are liable to such client for losses, including any indirect or consequential losses, arising in connection with any error or omission relating to, among other things, (i) wrong processing; (ii) missing out on processing application and reporting; (iii) misplacing application; and (iv) serious violations as per guidelines issued by SEBI, fraud, negligence or default caused by us, any of our employees or our agent's actions. Indemnity provisions in such contracts include, among others, us holding the client harmless from and against all such losses, damages, injury liabilities, claims, actions, costs, including attorney's fees and court fees relating to third-party claims arising out of or related to our performance or failure of the terms of such contract for which we have assumed financial, administrative or operational responsibility; breach of any representations or warranties contained therein by us; any claims related to our failure to obtain, maintain and comply with required consents, applicable laws, or regulations and any claims against the client, for taxes, assessments, or penalties which are incurred due to us. In most of these contracts, the liability that we could incur is limited to three to 36 months of fee charged. Further, validity of indemnities provided within a majority of the contracts with our clients ranges between one year and five years from the expiry of such contracts.

For instance, our net contingent liability for claims raised by our clients pertaining to errors and omissions (customer claims not acknowledged as debts) aggregated to ₹ 58.68 million in six months ended September 30, 2022. The following table provides details of the client claims pertaining to errors and claims for the periods indicated:

	<i>(in ₹ million)</i>				
	<b>Fiscal 2020</b>	<b>Fiscal 2021</b>	<b>Fiscal 2022</b>	<b>Six months ended September 30, 2021</b>	<b>Six months ended September 30, 2022</b>
Domestic fund solutions	7.56	25.45	43.12	28.71	10.84
International and other investor solutions	-	-	2.59	-	0.16
Issuer solutions	0.54	0.10	0.10	-	1.11
<b>Total</b>	<b>8.10</b>	<b>25.55</b>	<b>45.81</b>	<b>28.71</b>	<b>12.11</b>
<b>Total as % of revenue from operations</b>	<b>0.18%</b>	<b>0.53%</b>	<b>0.72%</b>	<b>0.99%</b>	<b>0.35%</b>

While these claims are covered under the error and omission insurance policy and have been notified to the insurance company, we cannot assure you that we will recover the amounts. We may still remain liable for any penalty or adverse action that a court of an appropriate forum or a regulatory authority may impose upon us. Such financial liability and penalty may have an adverse effect on our business and reputation, including loss of our clients. Certain of our contracts provide our clients the right to inspect and audit our facilities and processes after providing reasonable notice to us. If such inspection or audit yields adverse findings such client may terminate or modify their contractual arrangements and refuse to renew their contractual arrangements with us.

In the event any financial liabilities or penalties were to be imposed upon us, they may have an adverse effect on our results of operations. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Auditor qualifications and emphasis of matter" on page 416.

**8. We are subject to periodic inspections by SEBI and PFRDA, pursuant to our registration as an RTA and CRA, respectively. Non-compliance with observations made by SEBI and PFRDA during these inspections could expose us to penalties and restrictions.**

As a SEBI-registered RTA, we are subject to periodic inspection audits by SEBI to, among others, ascertain compliance with provisions and rules of the SEBI MF Regulations, SEBI RTA Regulations and SCRA; ensure that

the records are being maintained by us in the manner specified in the SEBI RTA Regulations; and investigate into complaints received from investors, or any other intermediaries in the securities market. We will continue to be subject to inspections by SEBI, in the course of which SEBI may report on divergences (if any) from regulatory requirements applicable to RTAs. As a PFRDA-registered CRA, we are also subject to periodic inspection by PFRDA and any adverse findings during the course of such inspections could subject us to regulatory action under their respective acts and applicable rules and regulations notified thereunder. As a result of such inspections from SEBI, we have been issued certain warning letters and observations in the past. Our Company has responded to such warning letters in the form of action reports with findings of inspection, corrective steps and reports on rectified deficiencies.

Since November 17, 2018 (being the date on which the Scheme of Amalgamation became effective), the past instances of non-compliances (for which administrative warnings / deficiency letters were issued or adjudication has been initiated against us), actions initiated and penalties levied by SEBI, and corrective actions (if any) by us include the following:

Action by SEBI	Particulars of the matters	Details of lapses/ non-compliances:
Deficiency and advise	SEBI conducted an inspection from March 11, 2019 to March 15, 2019. We received a deficiency letter dated April 21, 2020. We have responded to the same pursuant to our letter dated May 19, 2020.	<ol style="list-style-type: none"> <li>1. Lacuna in the inward system being maintained by us, wherein the actual date of receipt of correspondence by us was not being captured in the system</li> <li>2. Non-maintenance of specimen signatures of certain clients' investors</li> <li>3. Discrepancies in processing of dematerialization requests</li> <li>4. Delays in processing transmission requests</li> <li>5. Delays in issuing duplicate share certificates</li> <li>6. Delays in processing transfer requests</li> <li>7. Discrepancies in handling of investor grievances</li> </ol>
Issue administrative warning	<p>SEBI conducted a special audit for dematerialization processing for the period from April 1, 2018 to December 31, 2019 and provided findings to the audit in letter dated September 24, 2021. We submitted our response pursuant to our letter dated October 8, 2021.</p> <p>We thereafter received an administrative warning letter dated December 24, 2021. We have responded to the same pursuant to our letter dated January 31, 2022.</p>	<ol style="list-style-type: none"> <li>1. Not obtained share certificates for processing dematerialization requests</li> <li>2. Signature mismatch and non-availability of signatures or banker's attestation / not obtained affidavit of specimen signature</li> <li>3. Delays in processing of dematerialization requests</li> </ol>
Issue show-cause notice and initiate adjudication	<p>SEBI conducted an inspection of our books of accounts and other records for the period from January 1, 2019 to December 31, 2019. The inspection was carried out from December 30, 2019 to January 3, 2020, pursuant to which we received a notice of the inspection findings on April 17, 2020. We submitted our response pursuant to our letter dated June 8, 2020.</p> <p>Subsequently, our Company received a show cause notice dated March 31, 2022 pursuant to rule 4 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties)</p>	<ol style="list-style-type: none"> <li>1. Discrepancies in the inward system being maintained by our Company</li> <li>2. Delays in processing transfer and transmission requests</li> <li>3. Delays in issuing duplicate share certificates</li> <li>4. Discrepancies in issuing duplicate share certificates</li> <li>5. Non-issuance of letters to collect bank details of shareholders</li> <li>6. Misrepresentation regarding availability of specimen signatures to shareholders</li> </ol>



	<p>Rules, 1995, as amended (“<b>Penalty Rules</b>”), read with section 15-I of Securities and Exchange Board of India Act, 1992, as amended (“<b>SEBI Act</b>”), in respect of this inspection. We filed a settlement application dated May 10, 2022 under Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018, as amended (“<b>Settlement Regulations</b>”). The hearing for settlement was concluded on August 3, 2022 and August 24, 2022, and we filed the revised settlement terms dated August 24, 2022 for payment of ₹ 9.12 million as settlement amount. Pursuant to the settlement proceedings, the settlement amount proposed by us was accepted by SEBI on October 13, 2022. Thereafter, we paid such settlement amount on October 13, 2022. In accordance with the settlement order dated November 4, 2022, adjudication proceedings initiated against us pursuant to show cause notice dated March 31, 2022 were disposed of.</p>	
Issue administrative warning	<p>SEBI had conducted an off-site inspection cum surveillance of mutual funds for the period May, 2019 to March, 2020, pursuant to which, we received an administrative warning letter dated July 27, 2022. We have responded to the same by way of submitting an action taken report dated September 6, 2022.</p>	<ol style="list-style-type: none"> <li>1. Failure to capture correct details of the investor including details of date of birth</li> <li>2. Failure to ensure that SIPs are not allowed to be continued without obtaining unique identifier in Permanent Account Number (“<b>PAN</b>”) exempt cases</li> <li>3. Failure to ensure that redemptions are not allowed without obtaining PAN even in the case of investment done before PAN mandatory period or obtaining certain data in PAN exempt cases</li> <li>4. Failure to obtain PAN in SIPs registered during PAN not mandatory period</li> <li>5. Failure to obtain correct details of the investor but which have been updated later on</li> </ol>
Issue administrative warning	<p>SEBI conducted an inspection from December 30, 2019 to January 3, 2020. We received an administrative warning letter dated November 2, 2020. We have responded to the same pursuant to our letter dated November 27, 2020.</p>	<ol style="list-style-type: none"> <li>1. Delays in redressal of investor grievances on SCORES</li> <li>2. Delays in processing dematerialization requests</li> </ol>
Issue administrative warning	<p>SEBI conducted an inspection during the period January 1, 2020 to December 18, 2020 and provided their inspection findings pursuant to letter dated May 20, 2021. We have responded to the same pursuant to our letter dated June 30, 2021. We received an administrative warning letter dated November 2, 2021. We have responded to the same pursuant to our letter dated December 2, 2021.</p>	<ol style="list-style-type: none"> <li>1. Failure to provide tripartite agreements with clients to SEBI on time</li> <li>2. Delays in in warding documents</li> <li>3. Delays in redressal of investor grievances</li> </ol>

PFRDA, in the past, during its inspection of our Company has issued various observations and sought clarifications from our Company, to which our Company has responded from time to time. Since November 17, 2018 (being the date on which the Scheme of Amalgamation became effective), PFRDA has conducted its inspection of our Company from February 12-13, 2019 and September 23-25, 2019. The last inspection by PFRDA took place in March 21-22, 2022. Such observations include: (i) discrepancy of ten days in the date of dispatch of permanent retirement account number kit and date of receipt of the corresponding form at a branch of the Company; (ii) not performing sample checks on physical exit forms and attached documents received by our Company; and (iii) not checking for separate bank proof during registration of a subscriber in NPS.

While we have responded to the observations made by the relevant regulatory authorities in their inspection reports on an ongoing basis and our Board and Audit Committee, as applicable, continue to review such observations and take steps to improve our internal systems, there can be no assurance that we will be able to respond to the observations made by the relevant regulatory authorities in their inspection audit reports in the future to their satisfaction, or that the relevant regulatory authorities will not make an adverse remark or impose a penalty as a consequence of such inspections. In the event that we are unable to satisfactorily address the observations of SEBI or other regulatory authority or are unable to comply with any specified requirements, for any reason, we may be subject to monetary sanctions and may also be restricted in our ability to conduct our business. Any such outcome may have an adverse effect on our business, financial condition and reputation. In the event of, or to the extent that, any grave deficiencies are found in the future, which we are unable to rectify, any levy of fines or penalties against us, or the suspension or cancellation of our registration with SEBI and other regulatory authority, our reputation, business, prospects, financial condition, results of operations, and the trading price of our Equity Shares may be adversely affected.

**9. *We are dependent on the strength and recognition of our brand and reputation, and activities of third-parties and entities, including our prior association to Karvy group, may damage our brand and reputation, which may harm our business.***

Reputational risk, or the risk to our business, earnings and capital from negative publicity, is inherent in our business. The reputation of the financial services industry in general has been closely monitored as a result of the global financial crisis and other matters affecting the financial services industry. Negative public opinion about the financial services industry generally or us specifically could adversely affect our ability to attract and retain customers and may expose us to litigation and regulatory action. While our brand was only established in November 2019, any negative incidents or adverse publicity could rapidly erode customer trust and confidence in us, particularly if such incidents receive widespread adverse mainstream and social media publicity or attract regulatory investigations. Although we take steps to minimize reputational risk in dealing with customers and other constituencies, we, as a financial services organization with a high industry profile, are inherently exposed to this risk.

Negative publicity can result from our own or any other related third-party's actual or alleged conduct in any number of activities, including lending and collection practices, technological practices, corporate governance, regulatory compliance, mergers and acquisitions, and related disclosure, sharing or inadequate protection of customer information, and actions taken by government regulators and community organizations in response to that conduct. In an NSE report dated November 22, 2019, non-compliances were observed with respect to the pledging and/or misuse of client securities by KSBL, an entity controlled by the CP Group, which resulted in (i) SEBI orders dated November 22 and November 29, 2019 against KSBL; and (ii) SEBI orders dated November 15, 2022 against the directors of KSBL, including Mr. C. Parthasarathy. We took several actions to separate our Company from the CP Group, starting November 2019, with the resignation of Mr. C. Parthasarathy as a non-executive director of the board of our Company, the change of name of our Company to emphasize that our Company is not a part of the Karvy group and the separation from the Karvy group (in terms of IT and administrative linkages) which was completed in March 2021. For details, see "*History and Certain Corporate Matters- Disassociation of our Company with the erstwhile promoter and promoter group of the Company*" on page 258. While the impact of the continued regulatory actions on CP Group and the residual shareholding of the CP Group aggregating to 14.12% in our Company has been limited (including impact on probable win of a few potential clients in the past) in our view, we cannot assure you that it will not continue to affect our reputation, resulting in significant impact on our business and prospects in the future.

In the future, we may be the target of incomplete, inaccurate, and misleading or false statements about our Company, our business, and our products and services that could damage our brand and materially deter people from adopting our services. Negative publicity about our Company or our management, including about our service

quality and reliability, changes to our products and services, privacy and security practices, litigation, regulatory enforcement, and other actions, as well as the actions of our customers, even if inaccurate, could cause a loss of confidence in us. Our ability to respond to negative statements about us may be limited by legal prohibitions on permissible public communications by us during future periods.

In recent years, there has been a marked increase in the use of social media platforms in India, including blogs, social media websites and applications, and other forms of internet-based communications which allow individuals access to a broad audience of customers and other interested persons. Many social media platforms immediately publish the content that their subscribers and participants post, often without filters or checks on accuracy of the content posted. The dissemination of inaccurate information online could harm our business, reputation, prospects, financial condition and operating results, regardless of the information's accuracy. The damage may be immediate without affording us an opportunity for redress or correction. Other risks associated with the use of social media include negative comments about us, fraud, hoaxes or malicious exposure of false information. Such inappropriate, unverifiable or false information regarding us may be published online or on social media by third parties, or any other such damage to our brand or our reputation may result in withdrawal of business by our existing customers and loss of new business from potential customers, could increase our costs, lead to litigation or result in negative publicity that could damage our reputation and adversely affect our business, results of operations and financial condition. In addition, in a NSE report dated November 22, 2019, certain non-compliances were observed with respect to creation of pledges and misuse of clients' securities by KSBL, which resulted in an order issued by SEBI against KSBL.

**10. *Our technology infrastructure, including our disaster recovery site, is reliant on information technology systems of third party providers and is concentrated in the Southern regions of India. In the event of a disaster, our disaster recovery and business continuity plans may fail, which could result in the loss of client data and adversely interrupt operations.***

Our operations are dependent on our ability to protect our infrastructure against damage from catastrophe, natural disaster, or severe weather including events resulting from unauthorized security breach, power loss, telecommunications failure, terrorist attack, or other events that could have a significant disruptive effect on our operations. We have a disaster recovery and business continuity plan in place in the event of system failure due to any of these events and we test our plans regularly. We have a disaster recovery site in Bengaluru, Karnataka built to ensure business continuity across all our critical functions in the event of a disaster. Further, we have a mechanism in place to have periodic replication of data with the concerned mutual funds, issuer companies, real estate investment trusts (“REITs”), infrastructure investment trusts (“InVITs”) pursuant to a circular bearing reference number SEBI/HO/MIRSD/DoP/CIR/P/2018/ 119 issued by SEBI dated August 10, 2018, we cannot be certain that our plans will be successful in the event of a disaster. For further details in relation to our disaster recovery site and business continuity plans, see “*Our Business – Description of our Business – Network and Other Infrastructure*” on page 248. If our disaster recovery or business continuity plans are unsuccessful in a disaster recovery scenario, we could potentially lose client data or experience material interruptions to our operations or delivery of services to our clients, and we could be liable to parties who are financially harmed by those failures. In such cases, we could also experience delays in making regulatory filings, or may be unable to comply with certain regulatory requirements. Such failures could cause us to face regulatory action, lose revenues, lose clients or damage our reputation.

In particular, our business relies heavily on our computer equipment (including our servers), cloud-based services, electronic delivery systems, networks and telecommunications systems and infrastructure, the internet and the information technology systems of third party providers, and the foregoing may be vulnerable to disruptions, failures or slowdowns caused by fire, earthquake, extreme weather events, power loss, telecommunications failure, terrorist attacks, wars, Internet failures, computer viruses, system errors and miscalculations and other events beyond our control. Furthermore, we rely on agreements with our vendors, such as our current data hosting and service provider, and on our clients' agreements with certain third party data providers, to provide us with access to certain computer equipment, cloud-based services, electronic delivery systems, the Internet, market financial information and information regarding our clients' assets. A contractual dispute may arise with one of our suppliers or third party data providers that could cause a disruption or deterioration in our solutions and services, and we are unable to predict whether our agreements with our suppliers or our clients' agreements with third party data providers can be obtained or renewed on acceptable terms, or at all. For further details on the impact of disruptions on our use of data centers, see “– *Disruptions, capacity limitations or interference with our use of the third party data center facilities that host our solutions and services could result in delays or outages and harm our business.*” An unanticipated disruption, failure or slowdown affecting our key technologies or facilities may have significant ramifications, such as data loss, data corruption, damaged software code, inaccurate accounting of transactions,

inaccurate regulatory reporting or inability to provide certain solutions and services to our clients. We maintain off-site back-up facilities for our electronic information and computer equipment, but these facilities could be subject to the same interruptions that may affect our primary facilities. Any significant termination of data access, or disruptions, failures, slowdowns, data loss or data corruption could have a material adverse effect on our business, financial condition or results of operations and result in the loss of clients. For further details on the impact of disruptions on our information technology system and breaches of data security, see “– *Significant disruptions in our information technology systems or breaches of data security could adversely affect our business and reputation.*” on page 32.

Further, we have two middle offices and two back offices as on September 30, 2022, and 182 branches spread across 24 states and three union territories as on September 30, 2022. For further details, see “*Our Business – Description of our Business – Properties*” on page 249. Currently, a majority of our work force is based out of such back offices. Due to the geographic concentration of our middle and back offices, particularly the concentration of our technology infrastructure in the Southern regions of India, our operations are susceptible to local and regional factors, such as accidents, system failures, economic and weather conditions, natural disasters, and demographic changes, and other unforeseen events and circumstances. Consequently, any significant social, political or economic disruption, or natural calamities or civil disruptions in the region, or changes in policies of the state or local governments or the government of India, could require us to incur significant capital expenditure and change our business strategy. The occurrence of, or our inability to effectively respond to any such event, may have an adverse effect on our business, results of operations and financial condition.

**11. *Disruptions, capacity limitations or interference with our use of the third party data center facilities that host our solutions and services could result in delays or outages and harm our business.***

As on the date of this Red Herring Prospectus, we partially host and intend to increasingly host our cloud service from third-party data center facilities from India operated by third party providers. Our primary data center is located in Hyderabad, Telangana and our data recovery center is located in Bengaluru, Karnataka. Further, the data belonging to our international clients is currently stored in our office located in Bahrain. Any damage to, failure of or interference with our service that is hosted by third party providers we currently utilize or any other third-party providers we may utilize in the future, whether as a result of our actions, actions by the third-party data centers, actions by other third parties, or acts of God, could result in interruptions in our cloud service and/or the loss of our or our clients’ data. While the third-party data centers host the server infrastructure, we manage the cloud services through our internal teams, and we need to support version control, changes in cloud software parameters and the evolution of our products, all in a multi-operating system environment. As we utilize third-party data centers, we may move or transfer our data and our clients’ data from one region to another. Despite precautions taken during this process, any unsuccessful data transfers may impair the delivery of our solutions. Further, we are required to ensure compliance with SEBI requirements pertaining to data created, processed, stored, transmitted, retained and archived in India and data protection laws, including the IT Act, passed by the Government of India. We are also required to ensure compliance with the Bahrain Law No. 30 of 2018 on the Issuance of Personal Data Protection Law. Any failure or alleged failure to comply with applicable laws, regulations or requirements could subject to penalties, fine and compounding proceedings in this regard.

Impairment of, or interruptions in, our cloud services may subject us to claims and litigation, cause our clients to terminate their agreements with us and adversely affect our ability to attract new clients. Our business will also be harmed if our clients and potential clients believe our services are unreliable. Additionally, any limitation of the capacity of our third-party data centers could impede our ability to scale, onboard new clients or expand the usage of existing clients, which could adversely affect our business, financial condition and results of operations.

We do not control, or in some cases have limited control over, the operation of the data center facilities where we host our solutions and services, and these facilities are managed by the data center service providers. These facilities may be vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunications failures and similar events. They may also be subject to cyberattacks, break-ins, sabotage, intentional criminal acts, acts of vandalism and similar misconduct and to adverse events caused by operator error. We may be held liable in case of data loss, theft, misuse of data. Despite precautions taken at these facilities, the occurrence of a natural disaster, an act of terrorism, war or other act of malfeasance, a decision to close the facilities without adequate notice to us, or other unanticipated problems at these facilities could result in lengthy interruptions in our solutions and services and the loss of client data and business, and related claims by our clients against us. We may also incur significant costs for using alternative equipment or facilities or taking other actions in preparation for, or in reaction to, any such events.

**12. *If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation may be adversely affected.***

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of our operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that business units adhere to our policies, compliance requirements and internal guidelines. While we periodically test and update our internal processes and systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances. Our operations are subject to human and system errors, including in the confirmation, entry or settlement of transactions, due to the complexity and high volume of transactions. We have developed a comprehensive risk management policy to maintain procedures and systems that enable us to identify, monitor, control and respond to these risks effectively. However, if our risk management efforts are ineffective, we could suffer losses that may adversely affect our results of operations and financial condition. Any future expansion and diversification in our services will require us to continue to enhance our risk management policy and our system of internal controls.

Our management information systems and internal procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal system or process weaknesses are identified, our actions may not be sufficient to correct such weaknesses. Failures or material errors in our internal systems may lead to errors in handling data, inaccurate financial reporting and failure of critical systems and infrastructure. The failure to properly perform our services could result in our clients that operate regulated businesses being subjected to losses including censures, fines, or other sanctions by applicable regulatory authorities, and we could be liable to parties who are financially or otherwise harmed by those errors. In addition, such errors could subject us to litigation, cause us to incur expenses, lose revenues, lose clients or damage our reputation. For further details, see “– *If our investor solutions, issuer solutions and global business services fail to perform properly due to undetected errors or similar problems, our business, financial condition, reputation or results of operations may be adversely affected.*” on page 45.

**13. *If our investor solutions, issuer solutions and global business services fail to perform properly due to undetected errors or similar problems, our business, financial condition, reputation or results of operations may be adversely affected.***

The various solutions and services that we develop such as investor solutions, issuer solutions and global business services may contain undetected errors or defects despite testing. Such errors can exist at any point in the life cycle of our solutions or services, but there is an increased risk that they will be found after new services, enhancements or data sources are incorporated into our existing solutions or services. We regularly introduce new solutions and services and new versions of our solutions and services, including, for example, in response to new or modified regulations or reporting requirements. Despite internal testing and testing by current and potential clients, our current and future solutions and services may contain serious defects or malfunctions. If we detect any errors before release, we might be required to delay the release of the solution or service for an extended period of time while we address the problem. We might not discover errors that affect our new or current solutions, services or enhancements until after they are deployed or after they have, for example, resulted in incorrect reporting on which our clients are dependent, and we may need to provide new enhancements to correct such errors. Errors may occur that could have a material adverse effect on our business, financial condition or results of operations and could result in harm to our reputation, lost sales, delays in commercial release, claims by affected clients, third-party claims, contractual disputes, contract terminations or renegotiations, or unexpected expenses and diversion of management and other resources to remedy errors. For further details, see “– *We may be exposed to certain liabilities pursuant to the terms of our contractual agreements with our clients and the occurrence of such events could adversely affect our business and results of operations.*” on page 39. In addition, negative public perception and reputational damage caused by such claims would adversely affect our client relationships and our ability to enter into new contracts. Any of these problems could have a material adverse effect on our business, financial condition, reputation or results of operations.

In particular, our solutions and services support the investment, financial and regulatory reporting processes of our clients, many of whom have asset portfolios on our system aggregating to billions of rupee. Our clients similarly rely on our solutions to ensure compliance with complex regulatory requirements. Our client agreements have provisions designed to limit our exposure to potential liability claims brought by our clients or third parties based on the use of our solutions and services. However, these provisions have certain exceptions and could be invalidated by unfavorable judicial decisions or by federal, state, foreign or local laws. For instance, use of our

solutions as part of the investment process creates the risk that asset manager clients, or the parties whose assets are managed by our clients, may pursue claims against us for very significant dollar amounts, and in a similar vein, our clients or their regulators may pursue claims or investigations against us in connection with regulatory reporting deficiencies associated with our services. Any such claim, lawsuit, investigation or other proceeding, even if the outcome were to be ultimately favorable to us, would involve a significant commitment. For further details, see “–*We are subject to periodic inspections by SEBI and PFRDA, pursuant to our registration as an RTA and CRA, respectively. Non-compliance with observations made by SEBI and PFRDA during these inspections could expose us to penalties and restrictions.*” on page 39.

Furthermore, our clients may use our solutions and services together with software, data or products from other companies. As a result, when problems occur, it might be difficult to identify the source of the problem. Even when our solutions and services do not cause these problems, the existence of these errors might cause us to incur significant costs and divert the attention of our management and technical personnel, any of which could materially adversely affect our business, financial condition or results of operations.

**14. *Our Promoters may not have adequate experience in the business activities undertaken by our Company.***

While our Company, including our operations, is managed by professionals, GASF, our Promoter, does not have adequate experience in the business activities undertaken by our Company. For details, see “*Our Promoter and Promoter Group*” on page 297. We cannot assure you that this lack of adequate experience will not have any adverse impact on the management and operations of our Company.

**15. *The ongoing novel coronavirus (“COVID-19”) pandemic and measures intended to prevent its spread have had, and may continue to have, a material adverse effect on our business and results of operations.***

An outbreak of COVID-19 was recognized as a pandemic by the World Health Organization (“WHO”) on March 11, 2020. In response to the COVID-19 outbreak the governments of several countries, including India, had taken and may continue to take preventive or protective actions, such as imposing country-wide lockdowns, restrictions on travel and business operations and advising or requiring individuals to limit their time outside of their homes. Temporary closures of businesses were ordered and numerous other businesses were temporarily closed on a voluntary basis as well. While the lockdowns were subsequently lifted, due to new strains such as the Delta variant, which was first reported in late 2020 and Omicron variant, which was first reported in late 2021, and consequent waves of coronavirus infections, several restrictions have been re-imposed from time to time to control the spread of the virus. For example, due to the wave of infections linked to the Omicron variant started around January 2022, various states in India had introduced restrictions such as weekend lockdowns and restricted the movement of individuals in groups.

There is significant uncertainty regarding the duration and long-term impact of the COVID-19 pandemic, as well as possible future responses by the Government, which makes it impossible for us to predict with certainty the impact that COVID-19 will have on our business and operations in the future. The COVID-19 pandemic has affected and may continue to affect our business, results of operations and financial condition in a number of ways such as:

- it resulted in a significant decline and volatility in the Indian equity markets which could cause investors to avoid higher risk assets such as equity-linked funds and reduce their investments in such funds through withdrawals or fund exits and consequently reduce the average assets under management (“AAUM”) managed by our equity-linked fund clients; we witnessed a month-on-month decline in the AAUM of equity oriented schemes managed by our clients from March 2020 to August 2020, which had an adverse effect on our revenue from operations. The equity AAUM managed by our clients decreased by 13% to ₹ 2,998 billion in first quarter ended June 30, 2020 from ₹ 3,433 billion in fourth quarter ended March 31, 2020;
- it may require us to shut our offices and service centers or operate them with few personnel, which may adversely affect revenue linked to transaction volumes; we shut our front offices and call centers at the commencement of the lockdown and were required to use of alternate methods of communications to process transactions; we were able to resume operations at our front offices in a gradual manner from May 2020 onwards and are currently operating our call centers with our employees working from home;
- increased risks emanating from process changes being implemented, such as increased reliance on

technology, increased work-from-home measures, lack of physical time stamps at our branches and absence of quality checks;

- increased risks emanating from errors or omissions on account of a reduction in operating personnel;
- an increase in operational costs as a result of installing work-from-home technology systems, housing certain employees in hotels near our offices temporarily, arranging for transportation for certain other employees and more frequent cleaning of premises;
- the potential negative impact on the health of our personnel, particularly if a significant number of them are afflicted by COVID-19, which could result in a deterioration in our ability to ensure business continuity during this disruption.
- inherent challenges to productivity, connectivity and oversight, increased vulnerability to cyber-security threats and potential breaches, including phishing attacks, malware and impersonation tactics due to an increase in the number of individuals working from home;
- uncertainty regarding the conditions that must be satisfied before government authorities completely lift “stay-at-home” orders and further imposition of such orders as a result of the resurgence of COVID-19 since April 2021;
- restrictions on movement of people during the lockdown has adversely impacted our cash collections due to inability of employees to make on-field visits; and
- potential negative impact on the health and safety of our personnel, particularly because a number of them were and could in future be afflicted by COVID-19, which could result in a deterioration in our ability to ensure business continuity during this disruption.

While COVID-19 has directly affected our business and operations, there is significant uncertainty regarding the duration and impact of the COVID-19 pandemic, as well as possible future responses, which makes it impossible for us to predict with certainty the impact that COVID-19 will have on us and our customers at this time.

The extent to which the COVID-19 pandemic impacts our business, results of operations, cash flows and financial condition will depend on developments that continue to be highly uncertain and difficult to predict, including, but not limited to, the duration and spread of the pandemic, its severity, the actions to contain the virus or treat its impact, the availability, distribution and efficacy of vaccines, and how quickly and to what extent normal economic and operating conditions can resume. Further, in the event of detection of new strains, evolving variants such as ‘Omicron variant’ and subsequent waves of COVID-19 infections throughout the world, we may be subject to further lockdowns or other restrictions in the future, which may adversely affect our business and results of operations. Therefore, our prior financial results are not necessarily indicative of results to be expected for future periods. Even after the COVID-19 pandemic subsides, we may experience material and adverse impacts on our business as a result of the virus’s global economic impact, including the availability of credit, bankruptcies or insolvencies of customers, and recession or economic downturn. As COVID-19 adversely affects our business and results of operations, it may also have the effect of exacerbating many of the other risks described in this “*Risk Factors*” section. Further, the outbreak, or threatened outbreak, of any severe communicable disease or pandemic, as seen in the recent outbreak and aftermath of COVID-19, could adversely affect overall business sentiment and environment across industries. As a result of these uncertainties, the impact may vary significantly from that estimated by our management from time to time, and any action to contain or mitigate such impact, whether government-mandated or taken by us may not have the anticipated effect or may fail to achieve its intended purpose altogether.

**16. *We depend on our Key Managerial Personnel, as well as our experienced employees, and any failure to attract, motivate and retain such persons could adversely affect our business, results of operations and financial condition.***

Our performance depends largely on the efforts, expertise and abilities of our Key Managerial Personnel, senior management, and our operational personnel who possess significant experience in the industry in which we operate. Our employee costs as a percentage of revenue from operations for Fiscals 2020, 2021 and 2022, and six months ended September 30, 2021 and 2022 was 43.12%, 39.20%, 36.35%, 37.65% and 42.79%, respectively. The attrition

rate for our employees for Fiscals 2020, 2021 and 2022, and six months ended September 30, 2021 and 2022 was 27.4%, 18.2%, 26.7%, 21.1% and 28.3%, respectively. The employee attrition is primarily due to varied reasons such as career growth. For further details in relation to number of employees as of Fiscals 2020, 2021 and 2022, and six months ended September 30, 2021 and 2022, see “*Our Business – Human Resources*” on page 249.

We believe that the inputs and experience of our Key Managerial Personnel and senior management, in particular, and other key personnel are valuable for the development of our business, operations and the strategic directions taken by our Company. We cannot assure you that these individuals or any other member of our senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. Moreover, we may be required to substantially increase the number of our qualified personnel in connection with any future growth plans, and we may face difficulty in doing so due to the intense competition in the asset management industry for such personnel. We may also be required to increase our levels of employee compensation more rapidly than in the past in order to remain competitive in retaining existing employees or attracting new employees that our business requires. The loss of the services of such persons may have an adverse effect on our business, results of operations and financial condition.

In addition, from time to time, there may be changes in our management team that may be disruptive to our business. If our management team, including any new hires that we make, fails to work together effectively and to execute our plans and strategies on a timely basis, our business could be harmed. If we are unable to effectively manage our hiring needs or successfully integrate and retain new hires, our efficiency, ability to meet forecasts, and employee morale, productivity, and engagement could suffer, which could adversely affect our business, financial condition, cash flows and results of operations.

**17. *The Equity Shares held by certain members of the CP Group are subject to encumbrances in favor of their lenders. Any enforcement of encumbrances by such lenders may have an adverse impact on the market price of the Equity Shares of the Company.***

The KFin Subject Shares, constituting 14.12% of the total equity shareholding of our Company, are subject to encumbrances in the nature of non-disposal undertakings and blocked positions. While the non-disposal undertakings and blocked positions are in favor of HDFC Bank Limited and ICICI Bank Limited based on the beneficiary position statement dated December 9, 2022 and the publicly available information available on the websites of the Bombay High Court and Debt Recovery Tribunal, Hyderabad, our Company is not able to ascertain the current status of the non-disposal undertakings and blocked positions or any subsequent developments in this regard, and whether the KFin Subject Shares are encumbered with any other lender of the CP Group, as we have no knowledge of CP Group operations. For further details, see “– *Certain of our Group Companies have not consented to the inclusion of, nor have they provided, information or any confirmations or undertakings pertaining to themselves, which are required to be disclosed in relation to Group Companies under the SEBI ICDR Regulations in this Red Herring Prospectus. Consequently, we cannot assure you that the disclosures relating to such Group Companies, are complete or up-to-date.*” on page 49.

Based on the beneficiary position statement of our Company dated December 9, 2022, the details of the encumbrances on the KFin Subject Shares are as follows:

S. No.	Name of Restricted Shareholder	No. of KFin Subject Shares	Shareholding percentage as on the date hereof (%)	Nature of encumbrance
1.	C. Parthasarathy	16,44,907	0.98%	Non-disposal undertaking
2.	Rajat Parthasarathy	16,08,503	0.96%	Blocked Position
3.	Compar Estates and Agencies Private Limited	18,414,296	10.99%	Non-disposal undertaking
4.	C. Parthasarathy – HUF (Karta – C. Parthasarathy)	1,986,974	1.19%	Non-disposal undertaking
	<b>Total KFin Subject Shares</b>	<b>23,654,680</b>	<b>14.12%</b>	

We cannot assure you that the lenders of the CP Group will not enforce these encumbrances. In the event that any or all of these encumbrances on the KFin Subject Shares are enforced by the lenders, the same may have an adverse impact on the market price of our Equity Shares.



18. ***Certain of our Group Companies have not consented to the inclusion of, nor have they provided, information or any confirmations or undertakings pertaining to themselves, which are required to be disclosed in relation to Group Companies under the SEBI ICDR Regulations in this Red Herring Prospectus. Consequently, we cannot assure you that the disclosures relating to such Group Companies are complete or up-to-date.***

We had certain related party transactions, among others, with Compar, KSBL and KDMSL during Fiscal 2020. As a result, Compar, KSBL and KDMSL have been identified as Group Companies under the SEBI ICDR Regulations. Our Company had, by way of our letters, each dated February 9, 2022, February 14, 2022, February 21, 2022 and February 28, 2022 and e-mail dated May 7, 2022, sought and requested, Compar, KSBL and KDMSL, to provide their respective consents to be named as Group Companies and to provide the requisite information, confirmations and undertakings, as required from a Group Company under the SEBI ICDR Regulations (collectively, “**Prescribed Information**”), for making adequate disclosures in the Draft Red Herring Prospectus, this Red Herring Prospectus and the Prospectus. However, despite these attempts, our Company has not received any correspondence with respect to the Prescribed Information from Compar, KSBL and KDMSL as of the date of this Red Herring Prospectus.

In view of non-receipt of the Prescribed Information from Compar, KSBL and KDMSL, and in order to comply with the SEBI ICDR Regulations, our Company has disclosed the Prescribed Information with respect to Compar, KSBL and KDMSL, solely to the extent available and accessible to our Company from Publicly Available Information. For further details, see “*Our Group Companies*” on page 432.

However, given that the Prescribed Information, as disclosed in this Red Herring Prospectus, is based solely on Publicly Available Information, our Company has not been able to ascertain that these disclosures, or any other confirmations included in this Red Herring Prospectus in relation to Compar, KSBL and KDMSL, are complete or up-to-date. Further, (i) KSBL has not filed Form MGT-7 post Fiscal 2019, (ii) KDMSL has not filed Form MGT-7 post Fiscal 2020; and (iii) Compar has not filed Form MGT-7 post Fiscal 2020, as has been confirmed by the search reports issued by Mr. Mahadev Tirunagari, a company secretary in practice, engaged by our Company to conduct a search of the publicly available information published on the website of MCA in relation to Compar, KSBL and KDMSL. Considering there is no change in the status quo in respect of Compar, KSBL and KDMSL, our Company is not in a position to ascertain the completeness of the Publicly Available Information, as on the date of this Red Herring Prospectus, or any subsequent developments which may impact the disclosures pertaining to Compar, KSBL and KDMSL.

Further, with respect to the litigation involving Compar, KSBL and KDMSL, except as disclosed in “*Outstanding Litigation and Material Developments*” on page 423, our Company pursuant to the Materiality Policy has determined that (i) any pending litigation involving Compar (based solely on Publicly Available Information) will not have a material impact on our Company, since (a) Compar has ceased to be a related party of our Company from the date of the resignation of Mr. C. Parthasarathy *i.e.*, November 23, 2019, from our Board, (b) based on Publicly Available Information, our Company is not impleaded as a party to any pending proceedings involving Compar, despite Compar being a Shareholder, (c) our Company has not received any notice for impleading our Company as a party to any pending proceedings from any party to the proceedings, the concerned court / tribunal or any regulatory or government authority or stock exchanges, and (d) the transactions entered into by our Company with Compar since November 23, 2019 were not based on any revenue sharing agreement, nor has our Company received any consideration from Compar pursuant to such transactions; and (ii) any pending litigation involving KSBL and/or KDMSL will not have a material impact on our Company, since (a) KSBL and KDMSL have ceased to be related parties of our Company from the date of the resignation of Mr. C. Parthasarathy *i.e.*, November 23, 2019, from our Board, (b) based on Publicly Available Information, our Company is not impleaded as a party to any pending proceedings involving KSBL or KDMSL, (c) our Company has not received any notice for impleading our Company as a party to any pending proceedings involving KSBL and KDMSL from any party to the proceedings, the concerned court / tribunal or any regulatory or government authority or stock exchanges, and (c) the transactions entered into by our Company with KSBL and/or KDMSL since November 23, 2019 were not based on any revenue sharing agreement, nor has our Company received any consideration from KSBL and/or KDMSL pursuant to such transactions.

Consequently, there can be no assurance that the information disclosed in this Red Herring Prospectus with respect to Compar, KSBL and KDMSL are complete or up-to-date.

19. ***Failure to comply with the existing laws and regulations applicable to our business could subject us to enforcement actions and penalties and otherwise harm our business.***

Our business is subject to regulation by various statutory and regulatory authorities in India, including MCA,

income tax authorities, SEBI and PFRDA, and other authorities responsible for enforcing compliance with privacy and data protection related laws, foreign investment laws, intellectual property laws, consumer protection laws and anti-corruption and anti-bribery. Any failure or alleged failure to comply with the applicable laws, regulations or requirements could subject us to inspection, audit and enforcement actions by the relevant authority; suspension and revocation of the relevant license or approval; civil penalties including payment of damages to the aggrieved party; criminal penalties including payment of fines; and mandatory conciliation and mediation with the aggrieved party or may also lead to an inability to carry forward our tax losses. These actions or any failure to prevail in a possible civil or criminal litigation, may adversely affect our business, results of operations, financial condition, cash flows and reputation. In addition, responding to any action or litigation may result in a diversion of our management's attention and resources and an increase in professional fees and compliance costs.

As a SEBI-registered RTA, we are required to comply with the requirements prescribed under the SEBI RTA Regulations, including, among others, the requirement to abide by the code of conduct specified in the RTA Regulations, which requires us, inter alia, to maintain high standards of integrity in the conduct of our business, endeavor to ensure that inquiries and grievances from investors are dealt with without any delays, avoid conflict of interest, intimate any change in registration status or any penal actions taken by SEBI promptly to clients, develop our own internal code of conduct for governing our internal operations and lay down standards of appropriate conduct for our employees and officers in carrying out our duties as an RTA. Additionally, we are required to make several filings on a quarterly, half-yearly and annual basis or on the occurrence of prescribed events with SEBI under the SEBI RTA Regulations and other relevant authorities pursuant to the applicable laws and regulations governing them. Further, we are required to comply with various circulars issued by SEBI from time to time, which are applicable to RTAs. For details, see "*Key Regulations and Policies - Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 ("SEBI RTA Regulations")*" on page 251 and for details of the inspections conducted by SEBI and consequent actions taken against us by SEBI in relation to our operations as a QRTA, see "*- We are subject to periodic inspections by SEBI and PFRDA, pursuant to our registration as an RTA and CRA, respectively. Non-compliance with observations made by SEBI and PFRDA during these inspections could expose us to penalties and restrictions.*" on page 39. In the past, by way of a show-cause notice dated May 6, 2020, SEBI alleged violations of the SEBI Insider Trading Regulations by KCPL in 2017 while making certain investment decisions in Taurus Mutual Fund. KCPL was alleged to have acted on information in its possession but not available to all investors and not carried out its duties as a registrar and share transfer agent in a prompt, ethical and professional manner under the SEBI RTA Regulations, 1993, as amended. Pursuant to the Scheme of Amalgamation, this action was transferred to our Company. Our Company replied to SEBI vide letters dated October 8, 2021 and October 18, 2021, denying the allegations and stating that the investment decisions were not an anomaly. SEBI passed an adjudication order dated December 22, 2021, levying a penalty of ₹15 million on our Company. Such penalty was paid by our Company within the prescribed timeline. Additionally, BSE by way of an e-mail dated July 31, 2021, imposed a penalty of approximately ₹0.02 million for non-compliance with the timelines under Regulation 52(4) of the SEBI Listing Regulations, 2015, for submission of a certificate from the debenture trustee, in relation to the non-convertible debentures of our Company that were listed on the stock exchanges at the time of non-compliance. The same was paid by our Company within the prescribed timeline. Our Company is also subject to regulation by PFRDA in relation to our operations as a CRA pursuant to the PFRDA CRA Regulations and other applicable regulations in this regard. In the past, pursuant to a fact-finding exercise conducted by PFRDA in relation to an incident reported to it by the National Pension System Trust by way of its letter dated July 25, 2018, PFRDA alleged that KCPL was acting as a Point of Presence ("**PoP**") without obtaining the registration from PFRDA and had violated various provisions of, amongst others, the PFRDA CRA Regulations. Subsequently, PFRDA issued a show cause notice dated May 19, 2020 to our Company, to show cause as to why an enquiry should not be held against our Company, and as to why a penalty under the PFRDA Act should not be levied. Our Company submitted its responses dated September 23, 2020 and November 18, 2021 citing reasons as to why a penalty should not be imposed. By way of final order dated May 2, 2022, the Whole Time Member and Designated Member for Imposition of Penalty has disposed of the inquiry proceedings against us on the account of no-contravention being established against us. Separately, PFRDA through its letter dated August 24, 2021, had alleged breach of certain service level parameters laid down under Schedule I of the service legal agreement ("**SLA**") between the National Pension System Trust and our Company dated January 19, 2017. Our Company by way of a letter dated September 20, 2021, submitted its response in this regard stating, amongst other reasons, that it was unable to meet its commitments under the SLA due to the nation-wide lockdown imposed in view of the COVID-19 pandemic and sought a waiver from PFRDA of the compensation for breach of SLA for a total amount of ₹26.3 million. Pursuant to subsequent correspondences between our Company and PFRDA in this regard, PFRDA issued a letter dated October 7, 2022 granting a waiver of compensation for breach of SLAs up to October 31, 2020.

For details of outstanding actions by regulatory authorities against our Company and responses thereto, please see

*“Outstanding Litigation and Material Developments –Actions by statutory or regulatory authorities”* on page 425. We cannot assure you that we will be able to comply with all the prescribed conditions, reporting and filing requirements in a timely manner or at all in the future and that the relevant authorities will not impose any penalties, fines and compounding proceedings on us in this regard.

**20. *Our Statutory Auditors have included matters of emphasis in its audit report on financial statements as at and for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, and as at and for the six months periods ended September 30, 2021 and September 30, 2022.***

Our Statutory Auditors have included matters of emphasis in its audit report on financial statements as at and for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, and as at and for the six months periods ended September 30, 2021 and September 30, 2022. These are in the nature of, among other things:

- the accounting treatment of the Scheme of Amalgamation between KCL, KPCL and our Company. In accordance with the Scheme of Amalgamation, 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 our 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 amortized over a period of 10 years as per the terms of the Scheme of Amalgamation and is also tested for impairment every year. Such accounting treatment of this transaction is different from that prescribed under Ind AS 103 – ‘Business Combinations’ which became applicable to our Company from the year ended March 31, 2019 and which requires assets, liabilities and consideration to be measured at fair value and goodwill to be tested only for impairment. We have obtained approval from the NCLT on March 2, 2022 for not amortizing goodwill with effect from April 1, 2021; and
- potential claims by a past client (“**Past Client**”) to whom we provided registrar and transfer agency services until April 5, 2021. In Fiscal 2021, we identified that 1,294,489 shares of the Past Client that were deposited in escrow with a depository participant (“**DP**”) for the purposes of the Past Client’s initial public offering in 2004, had been transferred by the DP to its own demat account and a third party’s demat account without any authority, without following due process, and without the knowledge of our Company. We transferred 1,294,489 shares to the Past Client on a ‘good faith and no fault’ basis. We also have an indemnity from Mr. Adhiraj Parthasarathy for an aggregate amount of up to ₹ 300.00 million in the agreement for the issuance of redeemable preference shares to Mr. Adhiraj Parthasarathy. In addition, the dividend received on such shares by the Company in Fiscal 2022 aggregating to ₹ 4.08 million was also transferred back to the Past Client. The details of the same have been communicated by our Company to SEBI (Market Intermediaries Regulation and Supervision Department), pursuant to our letters dated March 26, 2021 and November 15, 2021, and no communication has been received from SEBI in response to aforementioned letters submitted to SEBI.

While we believe that we have taken various actions to fully account for any potential losses that may be suffered by us on account of these unauthorized transfers involving these Past Client’s shares (including dividends on such shares for earlier periods), we cannot assure you that we will succeed in settling the matter with the Past Client, in a timely manner or at all. As a result, we have recognized an amount of ₹ 70.00 million as a provision in the Restated Consolidated Financial Information related to potential claims by the Past Client (including dividends on such shares for earlier periods and accrued interest based on our estimates). Further, we cannot assure that the Past Client will not initiate any legal action against us, criminal or otherwise.

For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Auditor qualifications and emphasis of matter*” on page 416. There can be no assurance that any similar remarks or matters of emphasis will not form part of our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our financial condition may be adversely affected.

**21. *We are subject to extensive government regulation and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business and results of operations may be adversely affected.***

We operate in a highly regulated environment in which we are regulated by SEBI, PFRDA, and MCA, among others. In addition, we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India and other jurisdictions in which we operate,

generally for carrying out our business. We have obtained a certificate of registration dated April 1, 2022 from SEBI to carry on the business as a 'registrar to an issue and share transfer agent' under Category-I under our present name and a certificate of registration from PFRDA dated March 10, 2022 as central recordkeeping agency, valid up to June 13, 2026. Further, we have received a letter of authorization dated January 31, 2022 from IFSCA to undertake administration services and asset management support services. For further details, see "*Government and Other Approvals – Material approvals in relation to our business and operations*" on page 430. Our Company has filed an application dated October 17, 2022 with the NSDL for registration as a participant of NSDL. For further details, see "*Government and Other Approvals - Material approvals applied for but not received*" on page 431. Further, our Subsidiaries, KFin Services Private Limited has filed an application dated September 13, 2022 with the RBI for an account aggregator license and KFin Global Technologies (IFSC) Limited has filed an application on November 22, 2022 for setting up a unit as an ancillary service provider in the IFSCA.

In view of the extensive regulations applicable to us, there are inherent legal and regulatory risks in our business. We are subject to scrutiny, supervision and actions taken by such regulators. For further details, see "*– We are subject to periodic inspections by SEBI and PFRDA, pursuant to our registration as an RTA and CRA, respectively. Non-compliance with observations made by SEBI and PFRDA during these inspections could expose us to penalties and restrictions.*" on page 39.

We are also exposed to the risk of us or any of our employees being non-compliant with insider trading rules or engaging in fraudulent practices to take advantage of our clients and their investors. In the event of any such violations, regulators could take regulatory actions, including financial penalties against us and the concerned employees. This could have a materially adverse financial and reputational impact on us. For further details, see "*– We are required to comply with prescribed insider trading regulations, anti-money laundering or anti-terrorist financing rules, regulations, circulars and guidelines issued by various regulatory and governmental authorities, non-compliance of which could expose us to additional liability, including regulatory fines and harm our business or reputation.*" and "*– Employee fraud or misconduct could harm us by impairing our ability to attract and retain clients and subject us to significant legal liability and reputational harm.*" on pages 67 and 53, respectively. Further, any change to the existing legal or regulatory framework will require us to allocate additional resources, which may increase our regulatory compliance costs and direct management attention, which may consequently affect our business. For more information, see "*Key Regulations and Policies*" on page 251.

We cannot assure you that the relevant governments or the regulatory authorities will not take interpretations different from us regarding applicability of, or compliance with, the laws and regulatory framework governing our business. We may be unable to obtain, maintain or renew, or comply with the terms of, the regulatory approvals, licenses and registrations applicable to our business activities, and this may have adverse consequences for our business operations. In such an event, we may also be subject to regulatory action, including fines, termination of approvals or registrations, or restrictions on undertaking all or some of our business activities.

In addition, we may apply for more approvals, including the renewal of approvals, which may expire from time to time, and approvals in the ordinary course of our business. A majority of these approvals are granted for a limited duration and are subject to numerous terms and conditions. We cannot assure you that these approvals would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations, or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

**22. *Our profit / loss for the year / revenue from operations (in %) (PAT margin) increased from Fiscal 2021 to Fiscal 2022 on account of certain non-recurring events and it is not indicative of growth of profits in the future.***

Our profit / loss for the year / revenue from operations (in %) (**PAT margin**) increased from (13.41)% in Fiscal 2021 to 23.23% in Fiscal 2022, primarily due to an increase in the profit for the year to ₹ 1,485.49 million for Fiscal 2022 as compared to a loss for the year of ₹ 645.07 million for Fiscal 2021. The increase in our profit for the year for Fiscal 2022 was for a number of reasons, including, certain non-recurring events such as decrease in amortization of goodwill in Fiscal 2022 due to a modification in the Scheme of Amalgamation, with effect from April 1, 2021, and a decrease in our tax expenses as we recognized tax expense on the difference between goodwill as per the books of account and the updated tax base of nil in Fiscal 2021. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 389.

The increase in profit / loss for the year / revenue from operations (in %) (**PAT margin**) is not indicative of any future growth of our profits.

**23. *Employee fraud or misconduct could harm us by impairing our ability to attract and retain clients and subject us to significant legal liability and reputational harm.***

Our business is exposed to the risk of employee misappropriation, fraud or misconduct. Our employees could make improper use or disclose confidential information, which could result in regulatory sanctions and serious reputational or financial harm. While we strive to monitor, detect and prevent fraud or misappropriation by our employees, through various internal control measures, we may be unable to adequately prevent or deter such activities in all cases. Our dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect. While we have been able to identify such issues in the past, there could be instances of fraud and misconduct by our employees, which may go unnoticed for certain periods of time before corrective action is taken. In addition, we may be subject to regulatory or other proceedings, penalties or other actions in connection with any such unauthorized transaction, fraud or misappropriation by our agents or employees, which could adversely affect our goodwill, business prospects and future financial performance. We may also be required to make good any monetary loss to the affected party. Even when we identify instances of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, we cannot assure you that we will recover any amounts lost through such fraud or other misconduct.

**24. *Our international operations involve risks that could increase our expenses, adversely affect our results of operations and require increased time and attention from our management.***

We offer a range of solutions and services such as KYC onboarding, applications processing, online transacting using the mobile application and portals, viewing of statement of account online and supporting all transaction types such as sales and redemption, agent onboarding, commission management, agents portal and mobile application, statistical summary of investor position and tax statement and value added services, mortgages, legal services, transfer agency and finance and accounting operations in a number of jurisdictions outside India, including to clients in the U.S., U.K., Australia, Canada, Malaysia, Philippines, Hong Kong, Oman and Maldives. For further details in relation to the range of solutions and services provided by us outside India, see “*Our Business – Description of our Business – Products, Services and Operations – Investor Solutions - International investor solutions (global fund solutions)*” and “*Our Business – Description of our Business – Products, Services and Operations – Global business services*” on pages 240 and 246, respectively. We may be subject to risks inherently associated with international operations. Our revenue earned outside India constituted 12.79%, 14.22%, 11.68%, 11.89% and 11.34% of our revenue from operations for Fiscals 2020, 2021 and 2022, and six months ended September 30, 2021 and 2022, respectively. Our global operations expose us to legal, tax and regulatory requirements and violations or unfavorable interpretation by the respective authorities of these regulations could harm our business. This might include difficulties in managing, growing, and staffing international operations, including in countries in which foreign personnel are, or may become, part of labor unions, personnel representative bodies or collective agreements, and challenges relating to work stoppages or slowdowns. Additional risks associated with international operations include difficulties in enforcing contractual rights, foreign currency risks, the burdens of complying with a wide variety of foreign laws and regulatory requirements, as well as potentially adverse tax consequences, including permanent establishment and transfer pricing issues, tariffs, quotas and other barriers and potential difficulties in collecting accounts receivable. In addition, we may face competition in other countries from companies that may have more experience with operations in such countries or with international operations. Our international expansion plans may not be successful and we may not be able to compete effectively in other countries. These factors could impede the success of our international expansion plans and limit our ability to compete effectively in other countries.

In addition, we may be subject to risks associated with volatility in capital markets of South East Asian regions and the decline in growth in the U.S. mortgage market which may result in adverse impact on our international operations. All of these types of changes in the international markets are beyond our control which may adversely impact our operating profits from global business services.

**25. *Our issuer solutions business, contributing 11.60% and 13.38% of our revenue from operations for Fiscal 2022 and six months ended September 30, 2022, respectively, is affected by seasonality and may also be impacted by client demands and competition, which could result in fluctuations in our operating results.***

We have historically experienced seasonal fluctuations in our issuer solutions business as our clients generally take corporate actions in the second quarter, specifically August or September, of each Fiscal. For further details in

relation to revenue contribution from our issuer solutions business, see “*Our Business – Overview*” on page 220. We expect to continue to experience seasonal trends in our issuer solutions business, resulting in fluctuations in our operating results. Any failure by us to develop sufficient capacity to meet client demand during periods of seasonal or peak demand, could adversely affect client experience and our results of operations. Further, any loss of clients, our inability to respond to our clients’ demands for new services, capabilities and technologies on a timely and cost-effective basis or increased competition in our issuer solutions business would likely result in lower revenue from our operations.

**26. *If we are unable to manage and control our software development costs or if we are unable to monetize our software products, it may adversely impact our business, financial condition and results of operation.***

Our platform products and value added services products largely depend on our in-house development of platform technologies and value added services products, and the subsequent updates in software versions and applications. Software development and implementation can take long periods of time and require us to incur costs. Our software development cost was ₹ 0.83 million, ₹ 149.29 million, ₹ 396.58 million, ₹ 131.17 million and ₹ 167.24 million in Fiscals 2020, 2021, 2022 and six months ended September 30, 2021 and September 30, 2022, respectively, constituting 0.00%, 3.10%, 6.20%, 4.51% and 4.80% of our revenue from operations over the same period. For further details in relation to our platform products and value added services, see “*Our Business- Overview*” on page 220. Any failure by us to manage such software development costs may adversely affect our business, results of operation and financial condition. Further, if our platform products or value added services products are less effective, cost-inefficient or are not attractive to our clients or such products do not function as expected or designed, we may not recover the software development costs and our competitive position, business, financial condition and results of operation may be adversely affected. In addition, any defects in our products could result in additional development costs and diversion of our resources.

**27. *Acquisitions, strategic investments, entries into new businesses, and divestitures could disrupt our business, divert our management’s attention, result in additional dilution to our shareholders, and harm our business.***

We plan to execute acquisitions to expand our platform and services and acquire new clients to drive accelerated growth by leveraging our market access. For further details in relation to our acquisitions, see “*Our Business – our strategies – Pursue strategic acquisitions*” on page 236. We may be unable to find suitable acquisition candidates and to complete acquisitions on favorable terms, if at all, in the future. If we do complete acquisitions, we may not ultimately strengthen our competitive position or achieve our goals and any acquisitions we complete could be viewed negatively by customers or investors. Moreover, an acquisition, investment or business relationship may result in unforeseen operating difficulties and expenditures, including disrupting our ongoing operations, diverting management from their primary responsibilities, subjecting us to additional liabilities, increasing our expenses and adversely impacting our business, results of operations, cash flows and financial condition. Moreover, we may be exposed to unknown liabilities and the anticipated benefits of any acquisition, investment or business relationship may not be realized, if, for example, we fail to successfully integrate such acquisitions, or the technologies associated with such acquisitions, into our Company. We also may not achieve the anticipated benefits from the acquired businesses due to a number of factors, including difficulties resulting from the integration of information technology systems, accounting systems, culture or personnel; litigation; use of resources; or other disruption of our operations. Regulatory constraints, particularly competition regulations, may also affect the extent to which we can maximize the value of our acquisitions or investments. Acquisitions could also result in issuance of Equity Shares which could dilute the shareholding of our existing shareholders or the incurrence of debt. In addition, we may spend time and money on acquisitions or investments that do not increase our revenue. If an acquired business fails to meet our expectations, our business and results of operations may be adversely affected.

**28. *If we are unable to respond to the demands of our existing and new clients, or adapt to technological changes or advances, our business and growth could be adversely affected.***

The financial services industry is characterized by increasingly complex and integrated infrastructure and services, new and changing business models and rapid technological and regulatory changes. Our clients’ needs and demands for our services evolve with these changes. For example, mobile applications are becoming increasingly popular among customers due to their convenience and user friendliness. Our future success will depend, in part, on our ability to respond to our clients’ demands for new services, capabilities and technologies on a timely and cost-effective basis and thus we have developed various mobile applications to provide a wide range of services.

We also need to adapt to technological advancements and keep pace with changing regulatory standards to address

our clients' increasingly sophisticated requirements. Our ability to keep up with technology and business and legal and regulatory changes is subject to a number of risks, including that:

- we may find it difficult or costly to update our solutions and services and to develop new solutions and services quickly enough to meet our clients' needs;
- we may find it difficult or costly to make some features of our software work effectively and securely over the Internet or with new or changed external applications;
- we may find it difficult or costly to update our solutions and services to keep pace with business, evolving industry standards, regulatory and other developments in the industries where our clients operate;
- we may find it difficult or costly to advertise and market our solutions and services;
- we may find it difficult or costly to protect our proprietary technology and intellectual property rights; and
- our clients may delay purchases in anticipation of new solutions, services or enhancements.

Transitioning to these new technologies may be disruptive to our resources and the services we provide and may increase our reliance on third-party service providers. The process of developing our platform is also extremely complex and is expected to become increasingly complex and expensive in the future due to the introduction of new platforms, operating systems and technologies. If we fail to adapt or keep pace with new technologies in a timely manner, provide customers with better services and user experience, or retain and attract skilled technology staff, it could harm our ability to compete, decrease the value of our services to our clients, and adversely affect our business and future growth.

In addition, there may be circumstances when our clients are dissatisfied with our solutions and services, even in the absence of an operational error. In such circumstances, we may elect to make payments or otherwise incur increased costs or lower revenues in order to maintain a strong client relationship. In any of the forgoing circumstances, our business, financial condition, reputation or results of operations could be materially adversely affected.

**29. *Competition could negatively affect our ability to maintain or increase our market share and profitability.***

The markets for our services continue to evolve and are competitive. We compete with a number of entities that provide similar services in each of the business lines in which we operate. For further details in relation to our competitors, see "*Industry Overview*" on page 151.

Our competitors may be able to respond more quickly to new or changing opportunities, technologies, and client requirements and may offer better technological services, more attractive terms to clients and adopt more aggressive pricing policies than we will be able to offer or adopt. In addition, we expect that the markets in which we compete will continue to attract new competitors and new technologies, including international providers of services similar to ours. We compete on the basis of a number of factors, including execution, depth and range of product and service offerings, innovation, reputation, level of fees charged for our solutions and services, convenience, financial strength, stability and continuity of client and other intermediary relationships and quality of service. Our competitors may have advantages over us, including, but not limited to:

- substantially greater financial resources;
- longer operating history than us in certain of our businesses;
- greater brand recognition among consumers;
- larger customer bases in India;
- better distribution platforms;
- lower cost of capital;
- greater geographical presence; and
- more diversified operations which allow profits from certain operations to support other businesses with lower profitability.

Our competitors may also enter into alliances with each other or other third parties, and through such alliances, acquire increased market share. Increased competition may result in price reductions, reduced margins and loss of market share.

We cannot assure you that we will be able to compete effectively with current or future competitors or that we will be successful in attracting new customers for our mutual fund services business or other business. If we fail to compete effectively, our market share could decrease and our business, results of operations and financial condition could be adversely affected.

**30. *Our Company has, pursuant to RPS SSA, issued non-convertible redeemable preference shares (“RPS”) to Mr. Adhiraj Parthasarathy, which are to be redeemed in the manner provided in the RPS SSA. Non-redemption of the RPS in accordance with the RPS SSA, may have adverse impact on the Company.***

Pursuant to the shareholders agreement dated August 3, 2017, as amended, entered into between the CP Group, Mr. Adhiraj Parthasarathy, GASF and our Company (“SHA 2017”), the CP Group and Mr. Adhiraj Parthasarathy had the right to subscribe to additional equity shares of our Company upon the occurrence of certain identified events (as stipulated in SHA 2017). In consideration for the termination of SHA 2017 and extinguishment of all rights of the CP Group and of Mr. Adhiraj Parthasarathy thereunder (including the aforesaid right to subscribe to additional equity shares of our Company), our Company has entered into the subscription agreement dated May 28, 2021 with Mr. Adhiraj Parthasarathy, Mr. Rajat Parthasarathy and Mr. C. Parthasarathy, (“RPS SSA”), for the issuance of RPS to Adhiraj Parthasarathy. The maximum term of the RPS, as per the RPS SSA is 20 years from the date of issue (i.e. October 25, 2021). In the event our Company is unable to redeem the RPS on the Target Redemption Date (as defined in the RPS SSA) or within 60 days therefrom, in accordance with the terms of the RPS SSA, 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 (which payment of dividend shall be subject to deduction and withholding of taxes by our Company as per applicable law). Further, any failure by our Company to redeem the RPS in accordance with the provisions of the RPS SSA, may result in a breach of our Company’s conditions and covenants under the RPS SSA, and the parties to the RPS SSA may seek indemnification under the RPS SSA and other legal actions under applicable laws, against our Company, which may have an adverse impact of the reputation of our Company.

**31. *We conduct our business operations on leased premises and our inability to renew such leases may adversely affect our operations.***

As of September 30, 2022, we conducted our operations through 182 branches, all of which have been taken on a lease basis. The lease deed in relation to our Registered and Corporate Office is valid for a period of nine years starting from May 26, 2014. Further, we have two middle offices, two back offices, a disaster recovery site in Bengaluru, Karnataka and a call center in Hyderabad, Telangana, all of which have been taken on a lease basis. We typically enter into leases for a period ranging from three to nine years. In addition, our two offices in Malaysia and one office in Bahrain each have been taken on a lease basis. For further details, see “Our Business – Description of our Business – Properties” on page 249.

While we typically enter into leases that provide both the lessor and lessee with the right to terminate such arrangements by providing a written notice of termination (subject to lock-in period within such arrangements), certain lease arrangements provide an option to renew such arrangements upon mutually agreed terms and conditions. A notice of termination in relation to a lease may be issued by either party and the period of such termination notice typically ranges from one to three months. If any lease arrangement is prematurely terminated, we may be unable to procure like premises in a timely manner and accordingly we may suffer a disruption in our operations.

Some of the lease agreements or deeds may have expired in the ordinary course of business and we are currently involved in negotiation for the renewal of these arrangements. If alternative premises are not available at the same or similar costs, sizes or locations in a timely manner, our business, financial condition, cash flows and results of operations may be adversely affected. If we are required to relocate our call center, we may be required to obtain fresh regulatory licenses and approvals for such call center and consequently, until we receive such approvals and licenses, we may suffer disruptions in our operations which may adversely affect our business, results of operations and financial condition.

Further, in the event of any default on behalf of the lessor/licensor, we may be unable to enforce our leases if such leases are not duly registered or adequately stamped. As of September 30, 2022, 167 of our leases have not been



registered. For leases that are deemed as insufficiently stamped, we may be required to pay additional stamp duty or make similar payments, which could have an adverse effect on our business, results of operations and financial condition. Our title and tenement rights to the properties we lease could be affected by such improperly executed, unregistered or insufficiently stamped conveyance instruments, as well as other defects such as unregistered encumbrances in favor of third parties, rights of adverse possessors, ownership claims of family members of prior owners or third parties, or other defects that the lessors may be unaware of. We may be unable to enforce the provisions of such leases, which could have an adverse effect on our business, results of operations and financial condition. In addition to title uncertainties, there may be other irregularities, defects, non-compliance, or unsettled claims in relation to the properties that we lease or hold on a lease and license basis from time to time, including issues that we may not be aware of.

- 32. *We are subject to credit risks associated with trade receivables, and if we are unable to collect the amount from our customers, our results of operations and cash flows may be adversely affected.***

We are subject to credit risk of our customers, and our profitability and cash flows are dependent on receipt of timely payments from clients. Any delay, or failure, in payment by our customers may have an adverse effect on our profitability, working capital and available cash. There is no assurance that we will be able to collect all or any of our trade receivables in a timely manner. Our trade receivables were ₹ 883.18 million, ₹ 1,105.92 million, ₹ 1,125.96 million, ₹ 1,050.71 million and ₹ 1,419.61 million as of March 31, 2020, March 31, 2021, March 31, 2022, September 30, 2021 and September 30, 2022, respectively. If any of our clients face financial difficulties, we may not be able to receive full or any payment of the uncollected sums or bring any recovery actions against such clients, and our business, results of operations and financial condition could be adversely affected.

- 33. *Consolidation in the financial services industry could adversely affect our revenues by eliminating some of our existing and potential clients and could make us increasingly dependent on a limited number of clients.***

Mergers or consolidations of financial institutions could reduce the number of our clients and potential clients. If our clients merge with or are acquired by other firms that are not our clients, or firms that use fewer of our services, they may discontinue or reduce the use of our services. For example, in the past, SBI Funds Management Limited acquired Daiwa Mutual Fund in November 2013, HDFC Asset Management Company acquired Morgan Stanley Mutual Fund in July 2014, DHFL Pramerica Asset Managers Private Limited acquired Deutsche Bank Mutual Fund in March 2016, PGIM India Asset Management Private Limited acquired DHFL Pramerica Asset Managers Private Limited in July 2019. Although these events did not have a material adverse effect on our Company, we cannot assure you that any similar events in the future will not adversely affect our business and results of operations. In addition, it is possible that the larger financial institutions resulting from mergers or consolidations could decide to perform in-house some or all of the services that we currently provide or could provide. Any of these developments could have an adverse effect on our business and results of operations.

- 34. *Our operations could be adversely affected by strikes or increased wage demands by our employees or any other kind of disputes with our employees.***

As of September 30, 2022, we employed 5,155 permanent employees across our operations including 734 permanent employees in information technology department and engaged approximately 600 employees outsourced by third party vendors. Although we have not experienced any employee unrest in the past, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any employee unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are impossible for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

None of our workforce is currently unionized. However, there is a risk that our employees may choose to unionize in the future. As a result, we may become more susceptible to strikes, work stoppages or other labor disputes if any portion of our workforce were to become part of a union in the future. In the event of a labor dispute, protracted negotiations and strike action may impair our ability to carry on our day-to-day operations and, if not resolved in a timely manner, could adversely affect our business, financial condition, results of operations, cash flows and prospects.

- 35. *We rely on third-party service providers in several areas of our operations and may not have full control over***

*the services provided by them to us or to our customers*

We rely on third-party service providers in order to conduct our business in several of our areas of operations. In compliance with applicable regulations, we have outsourced certain services, such as, data entry, messaging services, software and technology services, front office services, information security, recruitment, training and outsourcing. Pursuant to this, we have entered into Service Provider Agreements (“SPA”) with multiple third parties.

While the SPAs that we have entered into have specific clauses that stipulate the quality of services to be provided by such third-parties, we do not have full control over the services provided by them. If the standard of services provided by such third parties is inadequate or not in compliance with applicable guidelines, we could suffer reputational harm and financial harm, which may adversely affect our business and prospects, and financial position, cash flows and results. Further, these contracts typically also contain conditions of indemnity, which we may not be able to enforce effectively.

**36. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with our Shareholders.**

We have entered into several transactions with related parties. The following provides a summary of our related party transactions for Fiscals 2020, 2021 and 2022, and the six months ended September 30, 2021 and 2022:

(₹ in million)

Particulars	For the six month period ended September 30, 2022	For the six month period ended September 30, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>i) Holding Group</b>					
<b>General Atlantic Singapore Fund Pte. Ltd.</b>					
Buy back of equity shares (including taxes)	-	-	-	-	927.02
Reimbursement of IPO related expenses	77.92	-	84.72	-	-
<b>ii) Wholly owned subsidiaries</b>					
<b>a) KFin Technologies (Malaysia) SDN.BHD</b>					
Fee from investor service	(47.31)	(36.46)	(109.04)	(109.42)	(64.23)
Reimbursement of Expenses	16.04	-	-	-	-
<b>b) KFin Technologies (Bahrain) W.L.L.</b>					
Dividend income received	-	(30.34)	(30.34)	-	(25.48)
<b>c) KFin Services Private Limited</b>					
Investment in equity shares	-	45.00	55.00	-	0.10
Reimbursement of expenses	-	4.33	3.60	5.45	0.09
<b>d) Hexagram Fintech Private Limited</b>					
Investment in equity shares	30.00	-	65.00	-	-
Share based payment expenses	2.55	-	-	-	-
Advance to vendor	2.00	-	-	-	-
<b>iii) Enterprise where promoters/ promoter group hold significant influence:</b>					
<b>Ochre &amp; Black Private Limited</b>					
Fee from investor services	-	-	(0.01)	(0.01)	-
<b>Krishna Institute of Medical Sciences Limited</b>					
Fee from investor services	-	-	-	(0.01)	(0.01)
<b>Karvy Stock Broking Limited</b>					
Purchase of securities	-	-	-	-	4.19
Sale of securities	-	-	-	-	16.38

Particulars	For the six month period ended September 30, 2022	For the six month period ended September 30, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Fee from investor services	-	-	-	-	(0.80)
Reimbursement of expenses	-	-	-	-	1.07
<b>Karvy Data Management Services Limited</b>					
Rent expenses	-	-	-	-	16.85
Professional charges	-	-	-	-	1.73
Fee from investor services	-	-	-	-	(0.59)
Reimbursement of expenses	-	-	-	-	(1.28)
<b>Compar Estates and Agencies Private Limited</b>					
Buy back of equity shares (including taxes)	-	-	-	-	167.50
<b>Parthasarathy Comandur HUF</b>					
Buy back of equity shares (including taxes)	-	-	-	-	18.07
<b>iv) Key Management Personnel</b>					
<b>Short-term employee benefits</b>					
- Remuneration paid	23.52	12.24	31.27	42.62	25.00
- Incentives/ Bonus paid	3.00	3.35	15.35	14.75	71.15
- Professional fee paid	-	-	-	-	16.10
- Buy back of equity shares (including taxes)	-	-	-	-	14.96
- Share-based payment	11.39	16.87	34.73	11.56	12.12
- Reimbursement of expenses	1.54	-	-	-	-
<b>v) Relatives of KMP</b>					
Buy back of equity shares (including taxes)	-	-	-	-	29.26
<b>Transactions with the related parties by Subsidiaries Companies (whether eliminated or not in the Restated Consolidated Financial Statement)</b>					
<b>In the books of Hexagram Fintech Private Limited</b>					
<b>Hexagram Fintech SDN. BHD.</b>					
Fee from investor service	0.71	-	-	-	-
<b>In the books of Hexagram Fintech SDN. BHD.</b>					
<b>Hexagram Fintech Private Limited</b>					
Professional charges	0.71	-	-	-	-

Our Company has not entered into any related party transactions with KSBL, KDMSL and Compar, after November 23, 2019.

For further details, see “Financial Information - Restated Consolidated Financial Information – Annexure VI, Notes to Restated Consolidated Financial Information -Note 39 – Related Parties” on page 363.

We have taken several steps to emphasize that our Company is not part of the Karvy Group, including by changing the name and undertaking certain changes in the Board of Directors including the resignation of Mr. C. Parthasarathy as a non-executive director on the board of the Company. For further details in relation to the steps taken by the Company to emphasize that the Company is not part of the Karvy Group, see “– We are dependent on the strength and recognition of our brand and reputation, and activities of third-parties and entities, including

our prior association to Karvy Group, may damage our brand and reputation, which may harm our business." and "History and Certain Corporate Matters- Disassociation of our Company with the erstwhile promoter and promoter group of the Company" on pages 42 and 258.

The following table sets forth the related party transactions taken together for the last three Fiscals, and the six months ended September 30, 2021 and 2022, that are more than 10% of total transactions of similar nature:

(Except for numbers in %, ₹ in million)

Related Party Name	Nature of Transaction	Six months period ended September 30				Fiscal year ended						Foot notes for the % computation
		2022		2021		March 31, 2022		March 31, 2021		March 31, 2020		
		Amount	% of total transactions of similar nature	Amount	% of total transactions of similar nature	Amount	% of total transactions of similar nature	Amount	% of total transactions of similar nature	Amount	% of total transactions of similar nature	
KFin Technologies (Malaysia) SDN.BHD *	Fee from investor service	47.31	1.74 %	36.46	1.61%	109.04	2.14 %	109.42	2.98 %	64.23	2.02 %	Note 1
KFin Technologies (Bahrain) W.L.L. *	Dividend income received	-	0.00 %	30.34	100%	30.34	100%	-	0.00 %	25.48	100.00%	Note 2
Ochre & Black Private Limited	Fee from investor service	-	0.00 %	-	0.00%	0.01	0.000 %	0.01	0.001 %	-	0.00 %	Note 1
Krishna Institute of Medical Sciences Limited*	Fee from investor service	-	0.00 %	-	0.00%	-	0.00 %	0.01	0.001 %	0.01	0.00 %	Note 1
Iconkrishi Institute of Medical Sciences Private Limited*	Fee from investor service	-	0.00 %	-	0.00%	-	0.00 %	-	0.000 %	-	0.00 %	Note 1
Karvy Stock Broking Limited**	Internet bandwidth	-	0.00 %	-	0.00%	-	0.00 %	-	0.000 %	4.19	1.13 %	Note 3
Karvy Stock Broking Limited**	Shared service charges	-	0.00 %	-	0.00%	-	0.00 %	-	0.000 %	16.38	3.29 %	Note 4
Karvy Stock Broking Limited**	Fee from investor services	-	0.00 %	-	0.00%	-	0.00 %	-	0.000 %	0.80	0.16 %	Note 1
Karvy Data Management Services Limited	Rent expenses	-	0.00 %	-	0.00%	-	0.00 %	-	0.000 %	16.85	11.88 %	Note 5
Karvy Data Management Services Limited	Professional charges	-	0.00 %	-	0.00%	-	0.00 %	-	0.000 %	1.73	1.22 %	Note 6
Karvy Data Management Services Limited	Fee from investor services	-	0.00 %	-	0.00%	-	0.00 %	-	0.000 %	0.59	0.12 %	Note 1
Key managerial person	Remuneration paid	23.52	1.68 %	12.24	1.17%	31.27	1.43 %	42.62	2.31 %	25.00	1.34 %	Note 7
Key managerial person	Incentives/ Bonus paid	3.00	0.23 %	3.35	0.36%	15.35	0.76 %	14.75	0.80 %	71.15	3.80 %	Note 8
Key managerial person	Share-based payment	11.39	18.59 %	16.87	59.21 %	34.73	37.94 %	11.56	95.07 %	12.12	72.07 %	Note 9
Key managerial person	Professional fee paid	-	0.00 %	-	0.00%	-	0.00 %	-	0.00 %	16.10	11.32 %	Note 10
Key managerial person	Reimbursement of expenses	1.54		-		-		-		-		
General Atlantic Singapore Fund Pte Ltd	Reimbursement of IPO related expenses	77.92	100.00%	-	0.00%	84.72	100.00%	-	0.00 %	-	0.00 %	Note 11
General Atlantic Singapore Fund Pte Ltd	Buy back of equity shares (including taxes)	-	0.00 %	-	0.00%	-	0.00 %	-	0.00 %	927.02	80.14 %	Note 12

Related Party Name	Nature of Transaction	Six months period ended September 30				Fiscal year ended						Foot notes for the % computation
		2022		2021		March 31, 2022		March 31, 2021		March 31, 2020		
		Amount	% of total transactions of similar nature	Amount	% of total transactions of similar nature	Amount	% of total transactions of similar nature	Amount	% of total transactions of similar nature	Amount	% of total transactions of similar nature	
Compar Estates and Agencies Private Limited**	Buy back of equity shares (including taxes)	-	0.00%	-	0.00%	-	0.00%	-	0.00%	167.50	14.48%	Note 12
Parthasarathy Comandur HUF**	Buy back of equity shares (including taxes)	-	0.00%	-	0.00%	-	0.00%	-	0.00%	18.07	1.56%	Note 12
Key managerial person	Buy back of equity shares (including taxes)	-	0.00%	-	0.00%	-	0.00%	-	0.00%	14.96	1.29%	Note 12
Relatives of KMP	Buy back of equity shares (including taxes)	-	0.00%	-	0.00%	-	0.00%	-	0.00%	29.26	2.53%	Note 12
Hexagram Fintech Private Limited***	Investment in equity shares	30.00	100%	-	0.00%	65.00	54.17%	-	0.00%	-	0.00%	Note 13
Hexagram Fintech Private Limited***	Share based payment expenses	2.55	4.17%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	
Hexagram Fintech Private Limited***	Advance to vendor	2.00	4.98%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	
KFin Services Private Limited	Investment in equity shares	-	0.00%	45.00	100.00%	55.00	45.83%	-	0.00%	0.10	100.00%	Note 13
KFin Services Private Limited	Reimbursement of expenses	-	0.00%	4.33		3.60		5.45	-	0.09	-	
Karvy Stock Broking Limited**	Reimbursement of expenses	-	0.00%	-	0.00%	-		-		1.07		
Karvy Data Management Services Limited**	Reimbursement of expenses	-	0.00%	-	0.00%	-		-		1.28		

\* Related party w.e.f December 31, 2019 to June 28, 2021  
\*\* Related party upto November 23, 2019  
\*\*\* Related party w.e.f February 7, 2022

These transactions are eliminated at consolidation. Therefore the % of total transaction is compared at standalone of our Company.

**Notes:**

1. Fee from investor services - Transactions of similar nature comprise of total Fee from investor services during the period / year
2. Dividend income received - Transactions of similar nature comprise of total Dividend income received from subsidiaries during the period / year
3. Internet bandwidth charges - Transactions of similar nature comprise of total postage, courier and communication expense during the period / year
4. Shared service charges - Transactions of similar nature comprise of Postage, courier and communication, Power and fuel, Office maintenance and Shared services cost during the period / year
5. Rent expenses - Transactions of similar nature comprise of cash outflow on leases and rent expense during the period / year
6. Professional charges - Transactions of similar nature comprise of legal and professional charges expense during the period / year
7. Remuneration paid - Transactions of similar nature comprise of total salaries and wages and Contribution to provident and other funds during the period / year
8. Incentives/ Bonus paid - Transactions of similar nature comprise of total salaries and wages during the period / year
9. Share-based payment - Transactions of similar nature comprise of Share based payment expenses during the period / year
10. Professional fee paid - Transactions of similar nature comprise of legal and professional charges expense during the period / year
11. Reimbursement of IPO related expenses - Transactions of similar nature comprise of reimbursement of IPO related expenses during the period / year
12. Buy back of equity shares (including taxes) - Transactions of similar nature comprise of total Buy back of equity shares (including taxes) during the period / year
13. Investment in equity shares - Transactions of similar nature comprise of total Investment in equity shares during the period / year

While we believe that all such transactions have been conducted on an arm's length basis, in accordance with our related party transactions policy and contain commercially reasonable terms, we cannot assure you that we could

not have achieved more favorable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. Although all related party transactions that we may enter into post-listing, will be subject to board or shareholder approval, as necessary under the Companies Act and the SEBI Listing Regulations, we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions had not been entered into with related parties.

**37. *If we are unable to address the investor grievances and complaints, our business and reputation may be adversely impacted.***

Our Company was in receipt of certain investor complaints pursuant to e-mail complaint dated April 1, 2022 addressed by Mr. Vijayakumar M G to SEBI; an anonymous e-mail complaint dated April 19, 2022 addressed to SEBI, letters dated May 11, 2022 and July 14, 2022 addressed by HDFC Bank Limited to SEBI, post filing of the Draft Red Herring Prospectus with SEBI. While we have responded to those investor complaints, there can be no assurance that we will not receive similar investor complaints in the future. While our Company has redressal mechanisms in place such as (i) authentication on SCORES in accordance with relevant SEBI circulars, (ii) appointment of Alpana Uttam Kundu as the Compliance Officer in relation to the Offer, and (iii) appointment of the Registrar to the Offer, there can be no assurance that we shall be able to adequately address future investor complaints in a timely manner, or at all. In the event that we are unable to adequately address such investor complaints or there is any delay in responding to such complaints, the concerned complainants may initiate legal action against us. The initiation of any such legal action, including the consequent outcomes, could have a financial and reputational impact on us and could negatively impact the trading price of our Equity Shares.

**38. *One of our Group Companies, KSBL, is involved in several ongoing proceedings with SEBI in the nature of enquiry, prosecution and proceedings under Section 11B of the SEBI Act, which may have an adverse impact on our reputation and may negatively impact the trading price of our Equity Shares. Further, SEBI has passed orders pursuant to the proceedings initiated against KSBL, which may have an adverse impact on the reputation of our Company.***

We understand that one of our Group Companies, i.e., KSBL is involved in ongoing proceedings with SEBI in the nature of enquiry, prosecution and proceedings under Section 11B of the SEBI Act, and investigations by the ED. Under Section 11B of the SEBI Act, SEBI has the powers to issue directions and levy penalties after making or causing an enquiry, amongst others, in the interest of investors, or orderly development of securities market. In this regard, SEBI issued orders dated November 22, 2019 and November 29, 2019 against KSBL and dated November 15, 2022 against its directors including Mr. C. Parthasarathy.

Pursuant to order dated November 22, 2019, the whole-time member of SEBI (“WTM”), held that certain acts of KSBL were, prima facie, in violation of Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and certain circulars by SEBI, and (i) prohibited KSBL from taking new clients in respect of its stock broking activities, and (ii) directed the depositories: (a) not to act upon any instruction given by KSBL in pursuance of power of attorney given to KSBL by its clients; (b) to monitor the movement of securities into and from the DP account of clients of KSBL; (c) not to allow transfer of securities from DP account no. 11458979, named ‘KARVY STOCK BROKING LTD (BSE)’, and (iii) directed depositories and stock exchanges to initiate appropriate disciplinary regulatory proceedings against KSBL for misuse of clients’ funds and securities as per their respective bye laws, rules and regulations. Subsequently, pursuant to order dated November 29, 2022, the WTM directed that the clients of KSBL seeking to sell securities through KSBL may do so by only using electronic or physical delivery instruction slip.

SEBI, pursuant to adjudicating order dated November 15, 2022, imposed a penalty of ₹ 0.80 million on Mr. C. Parthasarathy, one of the directors of KSBL, for violation of certain provisions of SEBI (Portfolio Managers) Regulations, 1993 and certain SEBI circulars.

Further, pursuant to the enquiry proceedings initiated by SEBI against KSBL under the SEBI (Intermediaries) Regulations, 2008 for the alleged violation of the SEBI Portfolio Managers Regulations, 1993, SEBI passed an order dated November 30, 2022 suspending the certificate of registration of KSBL for a period of one month. While KSBL has ceased to be a related party of our Company with effect from November 23, 2019, there can be no assurance that any adverse findings and orders against KSBL will not have a reputational impact on our Company and may negatively impact the trading price of our Equity Shares.

39. ***Certain criminal matters initiated against our Directors are at the FIR stage and any action by the courts may have an adverse impact on the business and reputation of our Company.***

An FIR has been filed by Mr. Vijay Arisetty on behalf of Vivish Technologies Private Limited (“**Complainant**”) against Mr. Shantanu Rastogi, Non-Executive Nominee Director (along with other accused, “**Accused Parties**”), wherein it is alleged that the Accused Parties have used the Complainant’s proprietary confidential information for their benefit and have been approaching the Complainant’s employees with bribes and threats to procure proprietary confidential information of the Complainant. While no adverse action has been initiated against our Director, any adverse outcome arising out of the FIR or any action by the courts may have an adverse impact on the business and reputation of our Company. Further, while there are no FIRs filed against us as of the date of this Red Herring Prospectus, any future FIRs filed against us may have an adverse impact on our business and reputation.

40. ***Our Promoter, Directors and Key Managerial Personnel have interests in us other than the reimbursement of expenses incurred and normal remuneration and benefits.***

Our Promoter, Directors and Key Managerial Personnel may be deemed to be interested to the extent of Equity Shares held by them, directly or indirectly, in our Company, as well as to the extent of any dividends, bonuses or other distributions on such shareholding. Additionally, certain of our Directors and Key Managerial Personnel may also be regarded as interested to the extent of employee stock options granted by our Company and which may be granted to them from time to time pursuant to the KFin ESOP Plan 2020, as applicable. For details, see “*Capital Structure*” on page 95. We cannot assure you that our Promoter, Directors and our Key Managerial Personnel, if they are also our shareholders, will exercise their rights as shareholders to the benefit and best interest of our Company. For further details, see “*Our Promoter and Promoter Group*”, “*Our Management – Interest of Directors*” and “*Our Management – Interests of Key Managerial Personnel*” on pages 297, 281 and 295, respectively.

41. ***Our Directors may have interests in entities similar to ours or may be associated with entities involved in the securities market, which may result in conflicts of interest with us.***

Our Directors may have interests in entities engaged in ventures similar to ours, including in other geographies or may be associated with entities involved in the securities market in general, which may, in the future, result in conflicts of interest with us. As on the date of this Red Herring Prospectus, Mr. Jaideep Hansraj is a director of Kotak Securities Limited and Kotak Mahindra Financial Services Limited (registered with Abu Dhabi Global Markets). There can be no assurance that our Directors will be able to address any conflicts of interests that may arise because of their positions in such ventures, in an impartial manner. Further, there can be no assurance that our Directors will not engage in any competing business activity or acquire interests in competing ventures in the future. For further details, see “*Our Management*”, “*Other Regulatory and Statutory Disclosures – Prohibition by SEBI, RBI or other Governmental Authorities*” and “*Our Promoter and Promoter Group*” on pages 275, 437 and 297, respectively.

42. ***Our Promoter will be able to exercise significant influence and control over our Company after this Offer and may have interests that are different from those of our other shareholders.***

As on the date of this Red Herring Prospectus, our Promoter holds 123,009,706 Equity Shares representing 73.41% of the issued, subscribed and paid-up Equity Share capital of our Company. Following completion of the Offer, our Promoter will continue to have the ability to exercise significant influence over our Company. Our Promoter will therefore have the ability to influence our operations including the ability to approve significant actions at Board and at shareholders’ meetings such as issuing Equity Shares, the adoption of and amendments to our Memorandum and Articles of Association, the timing and payment of dividends, approval of business plans and mergers and acquisitions strategies and the approval of most other actions requiring the approval of our Shareholders. The interests of our Promoter may be different from or conflict with the interests of our other Shareholders and their influence may result in change of management or control of our Company, even if such a transaction may not be beneficial to our other shareholders. The trading price of our Equity Shares could be adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in our Promoter. For details of our Equity Shares held by our Promoter, see “*Capital Structure*” on page 95.

For details of interests of our Promoter in our Company, see “*Our Promoter and Promoter Group*” on page 297.

43. *We have had negative cash flows in the past and may continue to have negative cash flows in the future.*

We incurred negative cash flows from investing and financing activities in some of the years/periods during Fiscals 2020, 2021 and 2022, and the six months ended September 30, 2021 and 2022. The following table sets forth our net cash generated from / (used in) investing and financing activities and net increase / (decrease) in cash and cash equivalents for Fiscals 2020, 2021 and 2022, and the six months ended September 30, 2021 and 2022:

	For Fiscals			For the six months ended September 30,	
	2020	2021	2022	2021	2022
Net cash (used in)/generated from Investing Activities	930.15	(1,037.33)	(1,153.81)	(621.12)	(644.74)
Net cash (used in)/generated from Financing Activities	(2,060.42)	(894.00)	(1,154.07)	(539.48)	(72.20)
Net increase / (decrease) in cash and cash equivalents	(115.91)	115.01	218.49	54.51	(28.48)

(₹ in million)

Such negative cash flows from investing activities for Fiscal 2021 was mainly attributable to investments in mutual funds, purchase of shares, investment in other companies, and purchase of property, plant and equipment, goodwill and intangible assets (including capital and intangible work-in-progress, capital advances and creditors). Negative cash flows from investing activities for Fiscal 2022 was mainly attributable to purchase of tangible assets and intangible assets and acquisition of new business. Negative cash flows from investing activities for six months ended September 30, 2022 and for six months ended September 30, 2021 was mainly attributable to investments in mutual funds, purchase of property, plant and equipment and purchase of intangible assets.

Our negative cash flows from financing activities for Fiscal 2020 was mainly attributable to cancellation of equity shares of equity shares pursuant to a buy-back and repayment of non-convertible debentures. Our negative cash flows from financing activities for Fiscal 2021 and 2022 was mainly attributable to repayment of non-convertible debentures and interest paid on non-convertible debentures. Our negative cash flows from financing activities for six months ended September 30, 2022 was mainly attributable to payment of lease liabilities. Our negative cash flows from financing activities for six months ended September 30, 2021 was mainly attributable to interest paid on non-convertible debentures, repayment of non-convertible debentures and payment of lease liabilities. Our negative cash and cash equivalents in Fiscal 2020 and for six months ended September 30, 2021 and for six months ended September 30, 2022 were mainly attributable to negative cash flows from financing activities and negative cash flows from investment activities, respectively. For details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Cash flows and cash and cash equivalents*” on page 411. Although we seek to manage our working capital, we cannot assure you that we will be able to match the timing and amounts of our cash inflows with the timing and amounts of our payment obligations and other cash outflows. As a result, there could be a period during which we experience net cash outflow. Negative operating cash flow requires us to obtain sufficient external financing to meet our financing needs and obligations. If we are unable to do so, we will be in default of our payment obligations and may not be able to expand our business. Thus, our business, financial position and results of operations may be materially adversely affected.

We also expect our costs to increase over time and may incur losses and negative cash flows given the investments are expected to be made in order to grow our business, develop and launch new product offerings, expand our



customer base in existing markets and penetrate new markets. We have expended and expect to continue expending financial and other resources on technological investments, infrastructure and our team, among other initiatives. In addition, when we become a listed company, we will incur additional legal, accounting and other expenses. These efforts may be more costly than we expect and may not result in increased revenue or growth in our business. Any failure to increase our revenue sufficiently to keep pace with our investments and other expenses could prevent us from achieving profitability or positive cash flow on a consistent basis. Further, under Ind AS, any grant of ESOPs under ESOP Schemes results in a charge to our profit and loss statement based on the fair value of the ESOPs at the date when the grant is made and such expenses reduce our profitability to that extent for the relevant fiscal. For details of our outstanding ESOPs, see “*Capital Structure – Employee Stock Option Schemes*” on page 106. If we are unable to successfully address these risks and challenges or if we are unable to generate adequate revenue growth and manage our expenses and cash flows, we may continue to incur significant losses in the future, which could adversely affect our ability to, among others, fund our operations, pay debts in a timely manner or finance proposed business expansions or investments. Any of the foregoing could adversely affect our business, cash flows, financial condition and results of operations. Moreover, failure to achieve or sustain profitability on a consistent basis could cause the value of our Equity Shares to decline.

**44. *Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.***

As per the SEBI circular dated August 10, 2018 on enhanced monitoring of qualified RTAs, we are required to take adequate insurance for omissions and commission, and frauds by employees to protect the interest of investors. We maintain various insurance policies to safeguard against risks and unexpected events. For further details, see “*Our Business – Description of Our Business – Insurance*” on page 249. As of March 31, 2020, March 31, 2021, March 31, 2022, September 30, 2021 and September 30, 2022, we maintained a total insurance coverage of ₹ 1,244.69 million, ₹ 914.04 million, ₹ 914.04 million, ₹ 914.04 million and ₹ 934.95 million, respectively, constituting 243%, 160%, 120%, 130% and 109% of the total value of our tangible assets. The decrease in total insurance coverage from Fiscal 2021 to Fiscal 2022 was primarily attributable to the change in recognition of investment coverage from gross value of the assets and original purchase price to written down value of the assets. We believe that the insurance coverage we maintain is reasonably adequate to cover the normal risks associated with the operation of our businesses. However, our insurance policies may not provide adequate coverage in certain circumstances, such as COVID-19 pandemic and are subject to certain deductibles, exclusions and limits on coverage. Further, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have obtained sufficient insurance to cover all potential losses.

In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, or at acceptable cost, or at all. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial condition and cash flows could be adversely affected.

**45. *Our ability to pay dividends in the future will depend on our earnings, profitability, financial condition, cash flows and capital requirements.***

We have adopted a dividend distribution policy which lays down the principles for distribution of dividend by our Company to our shareholders and sets out inter alia the financial parameters and/or internal and external factors to be considered by our Company before declaring or recommending dividend to shareholders and the circumstances under which shareholders may or may not expect dividend. Our ability to pay dividends in the future will depend on our earning, profitability, financial condition, cash flows, capital requirements, applicable Indian legal restrictions and other factors. We may decide to retain all of our earnings to finance the development and expansion of our business and therefore, may not declare dividends on our Equity Shares. We have not declared and paid any dividends on the Equity Shares in the last three Fiscals and until the date of filing of this Red Herring Prospectus. We cannot assure you that we will be able to pay dividends in the future. For further details, see “*Dividend Policy*” on page 301.

**46. *We have certain contingent liabilities, which, if materialized, may adversely affect our financial condition, cash flows and results of operations.***

Our contingent liabilities as per Ind AS 37 as of September 30, 2022 were as follows:

<i>(in ₹ million)</i>	
<b>Contingent liabilities</b>	<b>As at September 30, 2022</b>
Customer claims not acknowledged as debt	58.68
Income-tax matters	17.54
Goods and service tax matters	17.31

For details in relation to our contingent liabilities as at September 30, 2022, see “*Financial Information – Restated Consolidated Financial Information – Annexure VI, Note 35 - Commitments, contingent liabilities and contingent assets*” on page 357.

If a significant portion of these liabilities materializes, it could have an adverse effect on our results of operations, cash flows and financial condition. Further, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

**47. *We will not receive any proceeds from the Offer. The Promoter Selling Shareholder will receive the entire proceeds from the Offer.***

This Offer is an Offer for Sale of Equity Shares aggregating up to ₹ 15,000 million by the Promoter Selling Shareholder. The entire proceeds from the Offer for Sale will be paid to the Promoter Selling Shareholder and we will not receive any such proceeds. For further details, see “*Capital Structure*” and “*Objects of the Offer*” on pages 95 and 125, respectively.

**48. *Data privacy laws, rules and regulations and the potential loss or misuse of customer data could have a material adverse effect on our business, financial condition and results of operations***

In December 2019, the Government of India tabled the Personal Data Protection Bill, 2019 (“**PDP Bill**”), which provides a framework for protection of personal data and use of non-personal data and seeks to, among others, lay down norms for cross border transfer of personal data, define the scope of the definition of personal data and non-personal data, establishment of data protection authority and ensure the accountability of entities processing personal data. For further details, see “*Key Regulations and Policies*” on page 251. Adoption of the PDP Bill will lead to potential additional compliance requirements in relation to obtaining consents, putting in place privacy policies and aligning data collection practices which comply with the ‘privacy by design’ principle, data protection impact assessments, registration requirements for a significant data fiduciary, reporting requirements for data breaches, data localization requirements etc. Further, on December 16, 2021, the Joint Parliamentary Committee (“**JPC**”) report on the PDP Bill was tabled in both Houses of Parliament. The report recommended several modifications to the PDP Bill along with the draft of the Data Protection Bill, 2021 (“**DP Bill**”). The JPC has further suggested removing the word ‘personal’ from the existing title of ‘Personal Data Protection Bill’. To ensure better privacy, the DP Bill will also be dealing with non-personal data. The PDP Bill was subsequently withdrawn and new draft legislation is expected to be announced. We may be required to undertake additional compliance obligations in India pursuant to such new legislation, when announced. Complying with such new legislation, other laws, regulations, or other obligations relating to privacy, data protection, data localization or security requirements may cause us to incur substantial operational costs or require us to modify our data handling practices. Any failure in comply with the potential additional requirements could have a material adverse effect on our business, financial condition and results of operations.

**49. *Our clients are subject to several laws and regulations, and new laws or regulations or changes to existing laws or regulations could affect our clients and, in turn, adversely affect our business and results of operations.***

Our results of operations and continued growth depend on government policies and regulations since we provide technology based services to the capital markets ecosystem including asset managers that are generally subject to extensive regulation in India and other regions such as Malaysia, Philippines and Hong Kong. We provide services in a manner designed to assist our clients in complying with the laws and regulations to which they are subject. Therefore, our services, such as transaction origination and execution, report generation, data and payment processing and customer care services, are particularly sensitive to changes in laws and regulations governing the financial services industry and the securities markets, including in South East Asia and Hong Kong.

Our services and the fees we charge our clients for certain services are subject to change if applicable SEBI rules and regulations are amended, or new laws or regulations are adopted, which could result in an adverse effect on our

business and results of operations. Mutual funds are permitted to charge certain operating expenses for managing a scheme such as sales and marketing/advertising expenses, administrative expenses, transaction costs, investment management fees, registrar fees, custodian fees and audit fees, as a percentage of the scheme's daily net assets. Total expense ratio ("TER") charged to the scheme is the cost of running and managing a scheme. All expenses incurred by a scheme are required to be managed by the asset management company within the limits specified under Regulation 52 of the SEBI MF Regulations. SEBI has pursuant to its press release dated September 18, 2018 and circular number SEBI/HO/IMD/DF2/CIR/P/2018/137 dated October 22, 2018 mandated, among others, that the TER for (i) equity oriented open schemes shall range from 1.05% to 2.25%; and (ii) other open schemes shall range from 0.80% to 2.00%, depending on the AUM of such scheme. Further, SEBI under the SEBI (Mutual Funds) Regulations, 1996, has mandated that the TER in case of close ended and internal schemes (i) shall be a maximum of 1.25% and 1.00% of the daily net assets of the scheme for equity oriented schemes and other close ended and interval schemes, respectively; (ii) liquid schemes, index fund schemes, exchange traded funds, equity oriented schemes and other schemes ranges between 1.00% and 2.25% of the daily net assets of the scheme depending on the type of fund of funds scheme. Additionally, SEBI has permitted the charging of an additional TER of 30 basis points from retail investors beyond top 30 cities of India. Further, pursuant to the SEBI circular number SEBI/HO/IMD/DF2/CIR/P/2019/42 dated March 25, 2019, among other things, (i) inflows of amount upto ₹0.20 million per transaction by individual investors shall be considered as inflows from retail investors, (ii) AMCs are required to prominently disclose on a daily basis, the TER of all schemes except infrastructure debt fund schemes under a separate head – "Total Expense Ratio of Mutual Fund Schemes" on the website of AMFI, and (iii) any increase or decrease in TER in a mutual scheme due to change in AUM and any decrease in TER in a mutual fund scheme due to various other regulatory requirements do not require issuance of any prior notice to investors.

New regulations governing our clients could also result in significant expenditures that could cause them to reduce their use of our services, seek to renegotiate existing agreements, or cease or curtail their operations, all of which could adversely affect our business. Further, an adverse regulatory action that changes a client's business or adversely affects its financial condition, could decrease their ability to purchase, or their demand for, our services. The loss of business from our clients could have an adverse effect on our business and results of operations.


- 50. *We are required to comply with prescribed insider trading regulations, anti-money laundering or anti-terrorist financing rules, regulations, circulars and guidelines issued by various regulatory and governmental authorities, non-compliance of which could expose us to additional liability, including regulatory fines and harm our business or reputation.***

We provide various services to our clients and as such are required to comply with insider trading regulations, applicable anti-money laundering and anti-terrorism financing laws and other regulations in different jurisdictions. As a result, we, in the course of our operations, run the risk of failing to comply with timely reporting requirements, prescribed KYC procedures and the consequent risk of insider trading by employees or directors, as well as fraud and money laundering or terrorist financing by dishonest customers. In the event of non-compliance, we may be subject to fines, penalties or regulatory action. Further, such incidents may result in regulatory action or requirements to invest further in our relevant systems, either of which could result in increased expenses, or adversely affect our business and reputation. In this regard, also see – "Our erstwhile promoters are subject to ongoing investigations by enforcement agencies, including Enforcement Directorate, Ministry of Finance, Government of India ("ED") and the outcome of such investigations may adversely impact our Company and the market price of our Equity Shares." on page 31.

- 51. *We are substantially dependent on our intellectual property rights, and a failure to protect these rights could adversely affect our business, financial condition or results of operations. Further, the inability to identify, obtain and retain intellectual property rights to technology could harm our business.***

We rely on trademark, confidentiality procedures, technical measures, and contractual restrictions to protect our proprietary technology and our intellectual property. Any loss of our intellectual property rights, or any significant claim of infringement or indemnity for violation of the intellectual property rights of others, could have a material adverse effect on our business, financial condition or results of operations. Our success also depends in part upon the development of technology platforms and applications to conduct our business. Our technology team develops software for us to serve our clients by helping them meet their requirements and regulatory requirements. Accordingly, it is important that we identify, obtain and retain intellectual property rights to such technology platforms, both for internal use as well as for use in providing services to our clients.

None of our technologies, solutions or services is covered by any issued patent. As on the date of this Red Herring

Prospectus, we have 20 registered trademarks in India and one pending trademark application, and we claim common law rights in other trademarks that are not registered. The application submitted before the Registrar of Trademarks for the registration of our logo, , is currently pending and we cannot assure you that we will be granted this registration in time, or at all. Further, we cannot guarantee that:

- our intellectual property rights will provide competitive advantages to us;
- our ability to assert our intellectual property rights against potential competitors or to settle current or future disputes will not be limited by our agreements with third parties;
- our intellectual property rights will be enforced in jurisdictions where competition may be intense or where legal protection may be weak;
- any of the trademarks, copyrights, or other intellectual property rights that we presently employ in our business will not lapse or be invalidated, circumvented, challenged or abandoned;
- our trademark applications will lead to registered trademarks; or
- competitors will not design around our intellectual property rights or develop similar technologies or offerings; or that we will be able to successfully assert our intellectual property rights against others.

Further, although we attempt to avoid infringing upon known proprietary rights of third parties, we are subject to the risk of claims alleging infringement of third-party proprietary rights. If in response to a third-party infringement allegation, we were to determine that we require a license to such third-party's proprietary rights, then we may be unable to obtain such license on commercially reasonable terms. We may need to undertake substantial reengineering of our services in order to continue offering them, and we may not be able to succeed in doing so. In addition, any claim of infringement could cause us to incur substantial costs defending such claim, even if the claim is baseless, and could distract our management from our business. A party asserting such an infringement claim could secure a judgment against us that requires us to pay substantial damages, grants such party injunctive relief, or grants other court ordered remedies that could prevent us from conducting our business. Any of the foregoing could prevent us from competing effectively, result in substantial costs to us, divert management's attention and our resources away from our operations and otherwise harm our reputation.

Our employees, consultants, clients, service providers and independent contractors are subject to confidentiality obligations. These may not effectively prevent unauthorized disclosure of confidential information or unauthorized parties from copying aspects of our technologies, investment accounting offerings or obtaining and using information that we regard as proprietary. Moreover, these may not provide an adequate remedy in the event of such unauthorized disclosures of confidential information and our rights under such arrangements may not be enforceable. In addition, others may independently discover trade secrets and proprietary information, and in such cases we could not assert any trade secret rights against such parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could reduce any competitive advantage we have developed and cause us to lose clients or otherwise harm our business.

**52. *We have commissioned and paid for an industry report which is exclusively prepared for the purposes of the Offer and issued by CRISIL which has been used for industry related data in this Red Herring Prospectus. Accordingly, prospective investors should not base their decision solely on the information in the CRISIL Report.***

We have commissioned and paid for a report titled “*Assessment of Investor and Issuer solutions industry across asset classes in India, South East Asia and Hong Kong*” dated November 25, 2022, which is exclusively prepared for the purposes of the Offer and issued by CRISIL, which has been used for industry related data that has been disclosed in this Red Herring Prospectus. Our Company, our Promoters and our Directors are not related to CRISIL. CRISIL uses certain methodologies for market sizing and forecasting. Accordingly, investors should read the industry related disclosure in this Red Herring Prospectus in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Further, the CRISIL Report is

not a recommendation to invest / disinvest in any company covered in the CRISIL Report. Accordingly, prospective investors should not base their investment decision solely on the information in the CRISIL Report.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this Red Herring Prospectus based on, or derived from, the CRISIL Report. You should consult your own advisors and undertake an independent assessment of information in this Red Herring Prospectus based on, or derived from, the CRISIL Report before making any investment decision regarding the Offer. See “*Industry Overview*” on page 151.

**53. *We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under Ind AS.***

This Red Herring Prospectus includes our EBITDA, EBITDA / total income (“**EBITDA Margin**”), EBITDA adjusted for other income (calculated as sum of profit / (loss) for the period/ year, depreciation and amortization expense, tax expense, finance cost less other income) (“**Adjusted EBITDA**”), EBITDA adjusted for other income (calculated as sum of profit / (loss) for the period/ year, depreciation and amortization expense, tax expense, finance cost less other income) (**Adjusted EBITDA**)/ revenue from operations (“**Adjusted EBITDA Margin**”), EBITDA for operations (calculated as sum of profit / (loss) for the period/year, depreciation and amortization expense, tax expense, finance costs less other income less sum of unwinding of interest on lease liabilities and depreciation on right-of-use assets (**Ind AS 116 adjustments**)) (“**Operating EBITDA**”), EBITDA for operations margin (calculated as sum of profit / (loss) for the period/year, depreciation and amortization expense, tax expense, finance costs less other income less sum of unwinding of interest on lease liabilities and depreciation on right-of-use assets (**Ind AS 116 adjustments**) / revenue from operations) (“**Operating EBITDA Margin**”), Net Asset Value per Equity Share, Net worth, EBITDA for operations (calculated as sum of profit / (loss) for the period/year, depreciation and amortization expense, tax expense, finance costs less other income less sum of unwinding of interest on lease liabilities and depreciation on right-of-use assets (**Ind AS 116 adjustments**)) (**Operating EBITDA**) to EBIT excluding goodwill and right of use asset amortization, Free cash flows, Free cash flow conversion from EBITDA for operations (calculated as sum of profit / (loss) for the period/year, depreciation and amortization expense, tax expense, finance costs less other income less sum of unwinding of interest on lease liabilities and depreciation on right-of-use assets (**Ind AS 116 adjustments**)) (“**Free Cash Flow Conversion From Operating EBITDA**”), Capital employed, Return on capital deployed, Return on equity, Capital expenditure as a % of total income, Asset turnover ratio, profit / loss for the year / revenue from operations, profit / loss for the year / revenue from operations (in %) (“**PAT Margin**”), profit / loss for the period / year, amortization of goodwill, impact of change in Finance Act, 2021 / total income for the period / year (“**Adjusted PAT margin**”), Return on Net Worth, revenue from operations less direct operating expenses, and revenue from operations less direct operating expenses / revenue from operations (collectively “**Non-GAAP Measures**”) and certain other industry measures related to our operations and financial performance, which are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with, Ind AS, IFRS or U.S. GAAP.

Further, these Non-GAAP Measures and industry measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. In addition, such Non-GAAP Measures and industry measures are not standardized terms, and may vary from any standard methodology that is applicable across the Indian financial services industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies, and hence a direct comparison of these Non-GAAP Measures and industry measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures and industry measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures and industry measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company’s operating performance.

**54. *We have not been able to obtain certain records of the educational qualifications of a Key Managerial Personnel and have relied on declarations and undertakings furnished by such Key Managerial Personnel for details of his profile included in this Red Herring Prospectus.***

Our Key Managerial Personnel, Mr. Quah Meng Kee (Country Head – Malaysia & Philippines), has been unable to trace copies of documents pertaining to his educational qualifications. Accordingly, reliance has been placed on

undertakings furnished by such director to us and the BRLMs to disclose details of their educational qualifications in this Red Herring Prospectus. We and the BRLMs, have been unable to independently verify these details prior to inclusion in this Red Herring Prospectus. Further, there can be no assurances that our Key Managerial Personnel will be able to trace the relevant documents pertaining to his qualifications in future, or at all.

**55. *We have issued Equity Shares during the preceding twelve months at a price which may be below the Offer Price.***

We have issued Equity Shares in the last twelve months preceding the date of this Red Herring Prospectus at a price which may be lower than the Offer Price. For further details, see “*Capital Structure - Notes to the capital structure – Share capital history of our Company*” at page 95. The prices at which Equity Shares were issued by us in the past year should not be taken to be indicative of the Price Band, Offer Price and the trading price of our Equity Shares after listing. We cannot assure you that the Equity Shares to be issued in the future will be at or lower than the Offer Price.

## **External Risk Factors**

### **Risks Related to India**

**56. *Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally, including adverse geopolitical conditions such as increased tensions between India and China. Our Company is incorporated in India, and most of our assets and employees are located in India. As a result, we are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Further, the following external risks may have an adverse impact on our business and results of operations, should any of them materialize:

- increase in interest rates may adversely affect our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;
- downgrade of India’s sovereign debt rating by an independent agency;
- political instability, resulting from a change in governmental or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to land acquisition policies and trade barriers have led to increased incidents of social unrest in India over which we have no control;
- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war; and
- natural calamities such as earthquakes, tsunamis, floods and drought experienced by India in recent years.

Moreover, throughout 2021, the Russian military build-up on the border of Ukraine has escalated tensions between Russia and Ukraine and strained bilateral relations. These events have continued in 2022 with Russia commencing a full-scale military invasion of Ukraine in February 2022. On February 21, 2022, Russia recognized the independence of two separatist regions within Ukraine, and ordered Russian troops into these regions with a purported mission to maintain peace in the area. Following the invasion of Ukraine, the United States, the United Kingdom, the European Union, Canada, Japan and Australia have made announcements regarding imposition of sanctions. Heightened tensions arising from the series of events in Ukraine could materially affect global macroeconomic conditions and the Indian economy.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares. Our performance and the growth of our business depend on the overall performance of the Indian economy as well as the economies of the regional markets in which we operate.

**57. *A downgrade in credit ratings of India, may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating improved from Baa3 with a "negative" outlook to Baa3 with a "stable" outlook by Moody's in October 2021 and was affirmed to be BBB- with a "stable" outlook by Fitch in June 2022; and DBRS confirmed India's rating as BBB "low" in May 2022. India's sovereign rating from S&P is BBB- with a "stable" outlook as of July 13, 2021. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for reasons beyond our control such as, upon a change of government tax or fiscal policy. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business and financial performance and the price of the Equity Shares.

**58. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations and prospects.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example:

- the Finance Act, 2020, had, amongst others things, notified changes and provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax, will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020. In addition, the Finance Act, 2021 had clarified that in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through Stock Exchanges will be on the buyer, while in other cases of transfer of consideration through a depository, the onus will be on the transferor. The Government of India has announced the union budget for the Fiscal 2023 and the Finance Bill, 2022 ("**Finance Bill**") was introduced in Lok Sabha on February 1, 2022. Subsequently, the Finance Bill received the assent from the President of India. on March 30, 2022, and became the Finance Act, 2022 ("**Finance Act**"). There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Bill would have an adverse effect on our business, financial condition, future cash flows and results of operations;
- the Taxation Laws (Amendment) Act, 2019, a tax legislation issued by India's Ministry of Finance effective as of 20 September 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this legislation, companies can henceforth voluntarily opt in favor of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which reduces the rate of income tax payable to 22% subject to compliance with conditions prescribed, from the erstwhile 25% or 30% depending upon the total turnover or gross receipt in the relevant period. Any such future amendments may affect our other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability;
- the Government of India introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020, which consolidate, subsume and replace numerous existing central labor legislations.; and
- the Government of India has implemented a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure pursuant to the Constitution (One Hundred and First Amendment) Act, 2016. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations

including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our businesses in the future.

**59. *If inflation continues to rise in India, increased costs may result in a decline in profits.***

Inflation rates in India have been volatile in recent years, and such volatility may continue. India has experienced high inflation in the recent past. Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials and other expenses. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, whether entirely or in part, and may adversely affect our business and financial condition. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

**60. *Investors may not be able to enforce a judgment of a foreign court against our Company outside India.***

Our Company is incorporated under the laws of India. Our Company's assets are located in India and most of our Company's Directors and Key Managerial Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian public policy.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes, the United Kingdom, Singapore and Hong Kong. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in a non-reciprocating territory, such as the United States, for civil liability, whether or not predicated solely upon the general securities laws of the United States, would not be enforceable in India under the Civil Code as a decree of an Indian court.

The United Kingdom, Singapore and Hong Kong have been declared by the Government of India to be reciprocating territories for purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court.



However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered.

**61. *Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us.

Although economic conditions vary across countries, investors' reaction to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in one emerging economy may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

Furthermore, economic developments globally can have a significant impact on India. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("**Brexit**"), there remains significant uncertainty around the terms of their future relationship with the European Union and, more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. The sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia) have also added to the growth risks for these markets. These factors may also result in a slowdown in India's export growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition, cash flows and results of operation.

These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition, cash flows and results of operations and reduce the price of the Equity Shares.

**62. *We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.***

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant

position by any enterprise.

On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the “CCI”). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, since we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects.

The Government of India has also introduced the Competition (Amendment) Bill, 2022 in the Lok Sabha in August 2022, which has proposed several amendments to the Competition Act, including the introduction of deal value thresholds for assessing whether a merger or acquisition qualifies as a “combination”, expedited merger review timelines, codification of the lowest standard of “control” and enhanced penalties for providing false information or a failure to provide material information. As these are draft amendments, we cannot ascertain at this stage whether the proposed amendments will come into force in the form suggested or at all, their applicability, partially or at all, in respect of our operations once they come into force, or the extent to which the amendments, if and when they come into force, will result in additional costs for compliance, which in turn may adversely affect our business, results of operations, cash flows and prospects.

**63. *Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Further, under applicable foreign exchange regulations in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions), if they comply with the pricing guidelines and reporting requirements specified under applicable law. If a transfer of shares is not in compliance with such requirements and does not fall under any of the permissible exceptions, then prior approval of the relevant regulatory authority is required. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and fall under any of the exceptions specified by the RBI, then the RBI’s prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the Consolidated FDI Policy and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. Neither the Consolidated FDI Policy nor the FEMA Rules provide a definition of the term “beneficial owner”. The interpretation of “beneficial owner” and enforcement of this regulatory change may differ in practice, which may have an adverse effect on our ability to raise foreign capital. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

- 64. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares. The Income Tax Act levies taxes on long-term capital gains exceeding ₹100,000 arising from sale of equity shares on or after April 1, 2018, while there is no tax charged on unrealized capital gains earned up to January 31, 2018 on equity shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realized on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of capital gains tax in India, in addition to payment of Securities Transaction Tax (“STT”), on the sale of any Equity Shares. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Depending on the manner in which shares are sold (on or off the Stock Exchanges) and the legal status of the transferor, such gains may be taxed at rates ranging from 15%-40%, plus applicable surcharge and cess.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions. Historically, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Similarly, any business income realized from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. As per the Income-Tax Act, the tax payable by a taxpayer on the capital gains arising from transfer of long term capital asset shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹100,000, subject to payment of STT.

Further, various amendments have also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020.

Additionally, the Income-Tax Act has been amended to abolish dividend distribution tax. Accordingly, any dividend distributed by a domestic company is subject to tax in the hands of the investor at the applicable rate. Additionally, the company is required to withhold tax on such dividends distributed at the applicable rate. Non-resident shareholders may claim benefit of the applicable tax treaty, subject to satisfaction of certain conditions. The Company may or may not be in a position to recognize the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

- 65. *Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.***

The financial statements included in this Red Herring Prospectus have been prepared in accordance with Ind AS. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements, which are restated in accordance with the SEBI ICDR Regulations included in this Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should be limited accordingly.

- 66. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

**67. *A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Takeover Regulations. Further, there are requirements under the SEBI Insider Trading Regulations and the Takeover Regulations if the shareholding of any entity exceeds the specified threshold.

**68. *Our ability to raise foreign capital may be constrained by Indian law.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

**Risks Related to the Offer**

**69. *An investment in the Equity Shares is subject to general risk related to investments in Indian Companies.***

Our Company is incorporated in India and almost all of our assets and employees are located in India. Consequently, our business, results of operations, financial condition and the market price of the Equity Shares will be affected by changes in interest rates in India, policies of the Government of India, including taxation policies along with policies relating to industry, political, social and economic developments affecting India.

**70. *The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares has been determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our results of operations, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

**71. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our results of operations.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect

of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our results of operations.

**72. *Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by us may dilute your shareholding and adversely affect the trading price of the Equity Shares.***

After the completion of the Offer, our Promoter will own, directly and indirectly, a substantial majority of our post- Offer Equity Share capital. Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by our Promoter, or the perception that such a sale may occur may significantly affect the trading price of the Equity Shares.

**73.  *Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.***

A public company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company would be diluted.

**74. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. RIBs and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

**75. *The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the BRLMs is below the respective issue price.***

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs. Furthermore, the Offer Price of the Equity Shares will be determined by the Company and the Promoter Selling Shareholder in consultation with the BRLMs through the Book Building Process. These will be based on numerous factors, including factors as

described under “*Basis for Offer Price*” on page 128 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue price. For further details, see “*Other Regulatory and Statutory Disclosures - Price information of past issues handled by the Book Running Lead Managers*” on page 444. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of the company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

**76. *Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.***

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors’ book entry, or ‘demat’ accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant’s demat account with depository participant could take approximately five Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors’ ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors’ demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

## SECTION III – INTRODUCTION

### THE OFFER

The following table summarizes details of the Offer:

<b>Offer of Equity Shares by way of an Offer for Sale</b> <sup>(1)(2)</sup>	Up to [●] Equity Shares, aggregating up to ₹ 15,000 million
<b>The Offer comprises:</b>	
<b>A) QIB Portion</b> <sup>(3)(4)</sup>	Not less than [●] Equity Shares
<i>of which:</i>	
<b>Anchor Investor Portion</b>	Up to [●] Equity Shares
<b>Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)</b>	[●] Equity Shares
<i>of which:</i>	
<b>Available for allocation to Mutual Funds only (5% of the Net QIB Portion)</b>	[●] Equity Shares
<b>Balance for all QIBs, including Mutual Funds</b>	[●] Equity Shares
<b>B) Non-Institutional Portion</b> <sup>(4)(5)</sup>	Not more than [●] Equity Shares
<i>of which</i>	
<b>One-third of the Non-Institutional Portion available for allocation to Bidders with an application size more than ₹ 200,000 and up to ₹ 1,000,000</b>	[●] Equity Shares
<b>Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 1,000,000</b>	[●] Equity Shares
<b>C) Retail Portion</b> <sup>(4)</sup>	Not more than [●] Equity Shares
<b>Equity Shares outstanding prior to the Offer (as on the date of this Red Herring Prospectus) and after the Offer</b>	167,568,883 Equity Shares

- (1) The Offer has been authorized by a resolution of our Board dated March 24, 2022.
- (2) The Promoter Selling Shareholder has specifically confirmed that its portion of the Offered Shares has been held by it for a period of at least one year prior to the date of this Red Herring Prospectus, and is eligible for being offered for sale as part of the Offer in terms of Regulation 8 of the SEBI ICDR Regulations. Our Board has taken on record the approval for the Offer for Sale by the Promoter Selling Shareholder pursuant to its resolutions dated March 24, 2022 and December 10, 2022. The Promoter Selling Shareholder has confirmed and approved its participation in the Offer for Sale as set out below:

S. No.	Name of the Promoter Selling Shareholder	No. of Offered Shares	Date of Promoter Selling Shareholder's consent letter	Date of corporate authorization/board resolution
1.	General Atlantic Singapore Fund Pte. Ltd.	Equity Shares for an aggregate amount of ₹ up to 15,000 million	December 1, 2022	March 14, 2022

- (3) Our Company and the Promoter Selling Shareholder may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see "Offer Procedure" on page 464.
- (4) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, as applicable, at the discretion of our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable law. In case of under subscription in the Offer, Equity Shares shall be allocated in the manner specified in the section "Terms of the Offer" beginning on page 455.
- (5) The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with a Bid size of more than ₹ 200,000 and up to ₹ 1,000,000, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with Bid size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of the

*aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis. For details, see “Offer Procedure” beginning on page 464.*

Allocation to Bidders in all categories, except Anchor Investors, if any, Non-Institutional Bidders and Retail Individual Investors, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. The allocation to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis, in accordance with the SEBI ICDR Regulations. For further details, see “Offer Procedure” on page 464. For further details of the terms of the Offer, see “Terms of the Offer” on page 455.



## **SUMMARY OF FINANCIAL INFORMATION**

*The following tables set forth the summary financial information derived from the Restated Consolidated Financial Information. The summary financial information presented below should be read in conjunction with “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 302 and 389.*

*[Remainder of this page intentionally kept blank]*

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')**
**Summary of Restated Consolidated Balance Sheet**
*(All amounts are in INR millions, unless otherwise stated)*

Particulars	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
<b>I. ASSETS</b>					
<b>(1) Non-current assets</b>					
Property, plant and equipment	376.35	349.98	337.62	285.23	344.74
Capital work-in-progress	0.13	-	6.33	-	-
Right-of-use assets	319.38	291.48	337.31	336.89	365.31
Goodwill	5,434.31	5,245.54	5,434.31	5,245.54	5,914.76
Other intangible assets	756.85	387.25	576.11	428.06	289.35
Intangible assets under development	263.78	145.18	339.44	25.11	0.83
Financial assets					
(i) Investments	-	47.10	-	-	-
(ii) Other financial assets	29.26	43.61	61.48	52.05	53.91
Deferred tax assets (net)	0.06	0.06	-	-	48.07
Non-current tax assets (net)	375.25	360.14	369.45	339.57	330.97
Other non-current assets	12.95	17.47	12.04	21.85	3.64
<b>Total non-current assets</b>	<b>7,568.32</b>	<b>6,887.81</b>	<b>7,474.09</b>	<b>6,734.30</b>	<b>7,351.58</b>
<b>(2) Current assets</b>					
Financial assets					
(i) Investments	1,297.41	1,325.45	930.83	949.09	135.44
(ii) Trade receivables	1,419.61	1,050.71	1,125.96	1,105.92	883.18
(iii) Cash and cash equivalents	422.74	284.58	450.33	229.26	116.62
(iv) Bank balances other than cash and cash equivalents above	1.56	5.16	1.53	5.43	61.56
(v) Loans	-	2.40	1.41	2.69	3.45
(vi) Other financial assets	307.21	69.36	190.48	118.13	79.06
Other current assets	131.23	107.08	89.46	81.30	52.95
<b>Total current assets</b>	<b>3,579.76</b>	<b>2,844.74</b>	<b>2,790.00</b>	<b>2,491.82</b>	<b>1,332.26</b>
<b>TOTAL ASSETS</b>	<b>11,148.08</b>	<b>9,732.55</b>	<b>10,264.09</b>	<b>9,226.12</b>	<b>8,683.84</b>
<b>II. EQUITY AND LIABILITIES</b>					
<b>(1) Equity</b>					
Equity share capital	1,675.69	1,508.43	1,675.69	1,508.43	1,508.43
Other equity	5,691.47	1,191.09	4,767.74	1,955.61	2,587.33
<b>Total equity</b>	<b>7,367.16</b>	<b>2,699.52</b>	<b>6,443.43</b>	<b>3,464.04</b>	<b>4,095.76</b>
<b>LIABILITIES</b>					
<b>(2) Non-current liabilities</b>					
Financial liabilities					
(i) Borrowings	1,262.35	2,551.93	1,225.14	2,938.90	3,433.12
(ii) Lease liabilities	257.78	215.09	250.57	262.65	281.61
Provisions	56.23	67.43	91.00	74.93	51.72
Other liabilities	-	1,182.94	-	-	-
Deferred tax liabilities (net)	1,204.50	1,221.98	1,237.76	1,249.57	-
<b>Total non-current liabilities</b>	<b>2,780.86</b>	<b>5,239.37</b>	<b>2,804.47</b>	<b>4,526.05</b>	<b>3,766.45</b>
<b>(3) Current liabilities</b>					
Financial liabilities					
(i) Borrowings	-	662.44	-	522.44	321.26
(ii) Lease liabilities	89.35	107.71	120.93	101.24	96.43
(iii) Trade payables					
- Total dues of micro enterprises and small enterprises	5.13	1.03	1.82	3.05	0.20
- Total dues of creditors other than micro enterprises and small enterprises	232.62	167.54	253.47	249.58	203.88
(iv) Other financial liabilities	310.82	573.42	310.66	197.59	65.33
Other current liabilities	162.68	155.73	170.21	118.57	89.20
Provisions	62.97	32.80	35.01	30.58	35.98
Current tax liabilities (net)	136.49	92.99	124.09	12.98	9.35
<b>Total current liabilities</b>	<b>1,000.06</b>	<b>1,793.66</b>	<b>1,016.19</b>	<b>1,236.03</b>	<b>821.63</b>
<b>Total liabilities</b>	<b>3,780.92</b>	<b>7,033.03</b>	<b>3,820.66</b>	<b>5,762.08</b>	<b>4,588.08</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>11,148.08</b>	<b>9,732.55</b>	<b>10,264.09</b>	<b>9,226.12</b>	<b>8,683.84</b>

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')**  
**Summary of Restated Consolidated Statement of Profits and Loss**  
*(All amounts are in INR millions, unless otherwise stated)*

Particulars	For the six months period ended 30 September 2022	For the six months period ended 30 September 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Income</b>					
I. Revenue from operations	3,487.68	2,909.01	6,395.07	4,811.44	4,498.71
II. Other income	49.95	25.32	60.57	50.54	53.94
<b>III. Total Income (I+II)</b>	<b>3,537.63</b>	<b>2,934.33</b>	<b>6,455.64</b>	<b>4,861.98</b>	<b>4,552.65</b>
<b>IV. Expenses</b>					
Employee benefits expense	1,492.28	1,095.16	2,324.86	1,886.06	1,939.83
Finance costs	52.37	242.94	528.83	519.54	533.02
Depreciation and amortisation expense	225.99	175.17	370.25	979.89	922.12
Other expenses	660.40	512.31	1,191.70	801.41	972.61
<b>Total expenses (IV)</b>	<b>2,431.04</b>	<b>2,025.58</b>	<b>4,415.64</b>	<b>4,186.90</b>	<b>4,367.58</b>
<b>V. Profit before tax (III - IV)</b>	<b>1,106.59</b>	<b>908.75</b>	<b>2,040.00</b>	<b>675.08</b>	<b>185.07</b>
<b>VI. Tax expense</b>					
Current tax	289.19	262.14	583.34	23.71	2.75
Deferred tax	(36.05)	(31.39)	(28.83)	1,296.44	137.09
	<b>253.14</b>	<b>230.75</b>	<b>554.51</b>	<b>1,320.15</b>	<b>139.84</b>
<b>VII. Profit/ (loss) for the period/ year ( V-VI )</b>	<b>853.45</b>	<b>678.00</b>	<b>1,485.49</b>	<b>(645.07)</b>	<b>45.23</b>
<b>VIII. Other comprehensive income</b>					
<b>A. Items that will not be reclassified to profit or loss</b>					
Remeasurement gain/ (loss) on defined benefit plans	10.86	14.86	(10.76)	4.76	(16.91)
Income tax on above	(2.73)	(3.74)	2.71	(1.20)	4.26
<b>B. Items that will be subsequently reclassified to profit or loss</b>					
Exchange differences on translation of foreign operations	0.89	0.81	2.58	(2.37)	5.76
<b>Total other comprehensive income for the period/ year, net of tax (VIII)</b>	<b>9.02</b>	<b>11.93</b>	<b>(5.47)</b>	<b>1.19</b>	<b>(6.89)</b>
<b>IX. Total comprehensive income for the period/ year (VII+VIII)</b>	<b>862.47</b>	<b>689.93</b>	<b>1,480.02</b>	<b>(643.88)</b>	<b>38.34</b>
<b>X. Earnings per equity share (face value of INR 10 each, fully paid-up)</b>					
- Basic	5.09	4.49	9.44	(4.28)	0.28
- Diluted	5.05	4.49	9.36	(4.28)	0.28

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')**  
**Summary of Restated Consolidated Statement of Cash Flows**  
*(All amounts are in INR millions, unless otherwise stated)*

Particulars	For the six months period ended 30 September 2022	For the six months period ended 30 September 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A. Cash flows from operating activities</b>					
<b>Profit before tax</b>	<b>1,106.59</b>	<b>908.75</b>	<b>2,040.00</b>	<b>675.08</b>	<b>185.07</b>
Adjustment for:					
Depreciation and amortisation expense	162.73	120.29	255.97	869.18	837.86
Depreciation expense on right-of-use assets	63.26	54.88	114.28	110.71	84.26
Loss/ (profit) on sale of property, plant and equipment	1.02	(1.16)	(1.41)	(0.99)	(1.27)
Interest income	(0.95)	(0.36)	(0.90)	(2.00)	(11.07)
Dividend income from investment in mutual funds	(30.26)	(16.37)	(45.07)	(19.90)	(32.22)
Unwinding of discount on deposits	(2.16)	(1.30)	(2.79)	(2.46)	(1.59)
Liabilities no longer required written back	(0.91)	(4.44)	(5.78)	-	(3.65)
Income on derecognition of ROU and lease liability	(12.88)	(0.71)	(1.14)	(0.88)	-
Rent concession income	-	(0.30)	(0.87)	(11.80)	-
Unrealised foreign exchange (gain)/loss, net	(1.46)	1.79	(0.22)	4.71	(3.53)
Interest expense	52.37	242.94	528.83	519.54	533.02
Allowance for credit loss on trade receivables and other financial assets	(5.58)	23.64	57.08	8.99	48.66
Credit impaired trade receivables written-off	-	23.79	23.79	3.84	-
Deposits written-off	1.17	-	2.05	-	-
Share based payment	61.26	28.49	91.55	12.16	16.81
Fair value (gain)/loss of financial assets measured at FVTPL, net	-	-	(7.21)	7.21	-
Loss on sale of investments	-	-	7.34	-	-
<b>Operating profit before working capital changes</b>	<b>1,394.20</b>	<b>1,379.93</b>	<b>3,055.50</b>	<b>2,173.39</b>	<b>1,652.35</b>
<b>Changes in working capital adjustments:</b>					
(Increase)/ decrease in trade receivables	(286.39)	6.00	(79.01)	(261.38)	(37.89)
(Increase)/ decrease in other current financial assets	(115.73)	50.08	(71.98)	(17.98)	(10.42)
Decrease/ (Increase) in loans	1.41	0.29	1.28	0.21	(13.40)
Increase/ (Decrease) in other non- current financial assets	29.89	7.95	(7.11)	-	(0.03)
Increase/(Decrease) in other assets	(40.90)	(21.52)	10.48	(32.42)	(36.49)
(Decrease)/ Increase in trade payables	(16.64)	(79.62)	(43.82)	42.13	(11.96)
Increase/ (Decrease) in other current financial liabilities	8.69	27.96	103.82	133.24	(217.88)
(Decrease)/ Increase in other current liabilities	(7.53)	37.16	45.75	15.26	(11.93)
Increase in current provisions	4.06	9.58	8.23	22.56	2.50
<b>Cash generated from operations</b>	<b>971.06</b>	<b>1,417.81</b>	<b>3,023.14</b>	<b>2,075.01</b>	<b>1,314.85</b>
Income taxes paid, net of refunds	(282.60)	(202.70)	(496.77)	(28.67)	(300.49)
<b>Net cash generated from operating activities (A)</b>	<b>688.46</b>	<b>1,215.11</b>	<b>2,526.37</b>	<b>2,046.34</b>	<b>1,014.36</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)	(126.90)	(82.99)	(204.62)	(56.46)	(49.04)
Purchase of intangible assets (including intangible assets under development)	(184.78)	(132.16)	(476.20)	(240.56)	(25.84)
Investment in other companies	-	(47.10)	-	-	-
Acquisition of subsidiary, net of cash acquired	-	-	(240.93)	-	(265.34)
Investments in equity and preference shares of other companies	-	-	(51.35)	(298.02)	-
Proceeds from sale of investments in equity and preference shares	-	-	44.00	-	-
Fixed deposits redeemed/ (placed) with banks (net)	2.30	0.75	1.87	58.66	247.10
(Investments in)/ proceeds from redemption of mutual funds (net)	(366.57)	(376.35)	(272.55)	(522.85)	979.98
Interest income	0.95	0.36	0.90	2.00	11.07
Dividend income from mutual funds	30.26	16.37	45.07	19.90	32.22
<b>Net cash (used in)/ generated from investing activities (B)</b>	<b>(644.74)</b>	<b>(621.12)</b>	<b>(1,153.81)</b>	<b>(1,037.33)</b>	<b>930.15</b>
<b>C. Cash flows from financing activities</b>					
Payment of lease liabilities	(72.20)	(64.80)	(132.79)	(117.78)	(91.10)
Buy-back of equity shares, including taxes paid	-	-	-	-	(1,156.82)
Repayment of non-convertible debentures	-	(260.00)	(3,520.00)	(320.00)	(160.00)
Interest paid on non-convertible debentures	-	(214.68)	(392.24)	(456.22)	(652.50)
Expenses towards issue of shares	-	-	(209.28)	-	-
Proceeds from issue of equity shares	-	-	3,100.04	-	-
Issue of redeemable preference shares repayable at premium	-	-	0.20	-	-
<b>Net cash used in financing activities (C)</b>	<b>(72.20)</b>	<b>(539.48)</b>	<b>(1,154.07)</b>	<b>(894.00)</b>	<b>(2,060.42)</b>
<b>D. Net (decrease)/ increase in cash and cash equivalents ( A+B+C )</b>	<b>(28.48)</b>	<b>54.51</b>	<b>218.49</b>	<b>115.01</b>	<b>(115.91)</b>
Cash and cash equivalents at the beginning of the period/ year	450.33	229.26	229.26	116.62	226.77
Foreign exchange effect on cash and cash equivalents	0.89	0.81	2.58	(2.37)	5.76
<b>Cash and cash equivalents at the end of the period/ year</b>	<b>422.74</b>	<b>284.58</b>	<b>450.33</b>	<b>229.26</b>	<b>116.62</b>
<b>E. Reconciliation of Cash and Cash equivalents with the consolidated balance sheet (Refer Note 12 to Annexure VI)</b>					
Cash on hand	0.13	0.14	0.14	0.21	0.39
Balance with banks:					
(i) in current accounts	355.00	214.68	424.96	229.05	116.23
(ii) in deposit	67.61	69.76	25.23	-	-
(iii) cash-in-transit	-	-	-	-	-
	<b>422.74</b>	<b>284.58</b>	<b>450.33</b>	<b>229.26</b>	<b>116.62</b>

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')**  
**Summary of Restated Consolidated Statement of Cash Flows**  
*(All amounts are in INR millions, unless otherwise stated)*

<b>Particulars</b>	<b>For the six months period ended 30 September 2022</b>	<b>For the six months period ended 30 September 2021</b>	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
<b>F. Reconciliation of liabilities arising from financing activities</b>					
<b>Opening balance</b>					
Non-convertible Debentures (secured)	-	3,458.90	3,458.90	3,753.12	3,888.67
Interest accrued and not due on non-convertible debentures	-	2.44	2.44	1.26	171.40
Lease liabilities	371.50	363.89	363.89	378.04	289.24
Redeemable preference share	0.20	-	-	-	-
Premium on redeemable preference shares	1,224.94	-	-	-	-
<b>Cash movement</b>					
Non-convertible Debentures (secured)	-	(260.00)	(3,520.00)	(320.00)	(160.00)
Interest accrued and not due on non-convertible debentures	-	(214.68)	(392.24)	(456.22)	(652.50)
Lease liabilities	(72.20)	(64.80)	(132.79)	(117.78)	(91.10)
Redeemable preference share	-	-	0.20	-	-
Premium on redeemable preference shares	-	-	-	-	-
<b>Non-cash movement</b>					
Non-convertible Debentures (secured)	-	13.03	61.10	25.78	24.45
Interest accrued and not due on non-convertible debentures	-	214.68	389.80	457.40	482.36
Lease liabilities	47.83	23.71	140.40	103.63	179.90
Redeemable preference share	-	-	-	-	-
Premium on redeemable preference shares	37.21	-	1,224.94	-	-
<b>Closing balance</b>					
Non-convertible Debentures (secured)	-	3,211.93	-	3,458.90	3,753.12
Interest accrued and not due on non-convertible debentures	-	2.44	-	2.44	1.26
Lease liabilities	347.13	322.80	371.50	363.89	378.04
Redeemable preference share	0.20	-	0.20	-	-
Premium on redeemable preference shares	1,262.15	-	1,224.94	-	-

## GENERAL INFORMATION

Our Company was originally incorporated under the Companies Act, 2013 as ‘KCPL Advisory Services Private Limited’ and was granted a certificate of incorporation by the RoC on June 8, 2017. The Board of our Company approved the change in the name of our Company from ‘KCPL Advisory Services Private Limited’ to ‘Karvy Fintech Private Limited’ by their resolution dated July 22, 2017, which was thereafter approved by the Shareholders of our Company through their resolution dated July 24, 2017, and a fresh certificate of incorporation, under the Companies Act, 2013, was issued by the RoC on August 10, 2017. Pursuant to the Scheme of Amalgamation between Karvy Consultants Limited (“KCL”), Karvy Computershare Private Limited (“KCPL”) and our Company, all the assets and liabilities pertaining to the RTA business of KCL (including but not limited to the equity investment of KCL in KCPL) were demerged into our Company on a going concern basis; and KCPL was amalgamated into our Company with effect from November 17, 2018. The Board of our Company approved the change in the name of our Company from ‘Karvy Fintech Private Limited’ to ‘KFin Technologies Private Limited’ through their resolution dated November 25, 2019, which was thereafter approved by the Shareholders of our Company through their resolution dated November 30, 2019, and a fresh certificate of incorporation, under the Companies Act, 2013, was issued by the RoC on December 5, 2019. The Board of our Company approved the conversion of our Company from a ‘private limited company’ to a ‘public limited company’ through their resolution dated January 8, 2022, which was thereafter approved by the Shareholders of our Company through their resolution dated January 28, 2022. Pursuant to the conversion of our Company into a public limited company, the name of our Company was changed from ‘KFin Technologies Private Limited’ to ‘KFin Technologies Limited’, and a fresh certificate of incorporation dated February 24, 2022, was issued by the RoC. For details in relation to the Scheme of Amalgamation and the changes in the name and registered office of our Company, see “*History and Certain Corporate Matters*” on page 258.

### Registered Office

#### **KFin Technologies Limited**

Selenium, Tower-B  
Plot No 31 & 32  
Financial District, Nanakramguda  
Serilingampally, Hyderabad  
Rangareddi- 500032, Telangana, India

### Corporate identity number and registration number

Corporate Identity Number: U72400TG2017PLC117649  
Registration Number: 117649

### Address of the RoC

#### **Registrar of Companies**

2<sup>nd</sup> Floor, Corporate Bhawan  
GSI Post, Nagole  
Bandlaguda  
Hyderabad - 500068, Telangana

### Our Board

Our Board comprises the following Directors as on the date of this Red Herring Prospectus:

Name	Designation	DIN	Address
Vishwanathan Mavila Nair	Chairman & Non-executive Director	02284165	1902, A- Tower, Vivarea, Sane, Guruji Marg, Jacob Circle, Mahalaxmi, Mumbai, Maharashtra 400 011
Venkata Satya Naga Sreekanth Nadella	Managing Director and Chief Executive Officer	08659728	Plot no. 273/1. Road no. 25, Jubilee Hills, Greater Hyderabad, Hyderabad, Telangana 500 033
Sandeep Achyut Naik (Nominee of the Promoter Selling Shareholder)	Non-executive Nominee Director	02057989	40 Nassim Hill #10-40 Nassim Mansion Singapore 258474
Shantanu Rastogi (Nominee of the Promoter Selling Shareholder)	Non-executive Nominee Director	06732021	Beau Monde B, Flat no. 2101, 21 <sup>st</sup> floor, New Prabhadevi, Mumbai, Maharashtra 400 025

Name	Designation	DIN	Address
Srinivas Peddada (Nominee of the Promoter Selling Shareholder)	Non-executive Director	08755240	2B 200, Ludha Belleza, KPHP Colony, Kukatpally, Medchalmalkajiri, Hyderabad, Telangana- 500072, India
Jaideep Hansraj (Nominee of KMBL)	Non-executive Nominee Director	02234625	101 Mount Pleasant, 586 A, Lady Jehangir Road, 5 Gardens, Matunga East, Mumbai
Prashant Saran	Independent Director	08747512	7139, Sector B 10, Vasant Kunj, South West Delhi, Delhi 110 070
Sonu Halan Bhasin	Independent Director	02872234	H.No.: 4/4, Sarvpriya Vihar, Hauz Khas, New Delhi, Delhi-110016
Kaushik Bishnu Mazumdar	Independent Director	00397815	701, Ann Abode, St. Martins Road, Hill Road Police Station, Bandra West, Mumbai, Maharashtra 400 050

For further details of our Directors, see “*Our Management*” on page 275.

### Company Secretary and Compliance Officer

#### Alpana Uttam Kundu

Selenium, Tower B, Plot No- 31 & 32  
 Financial District, Nanakramguda, Serilingampally  
 Hyderabad, Rangareddi – 500032, Telangana, India  
**Telephone No.:** +91 40 7961 5565  
**E-mail:** compliance.corp@kfintech.com

### Investor Grievances

**Investors can contact the Company Secretary and Compliance Officer, the Book Running Lead Managers or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode.**

All Offer related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than UPI Bidders) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of UPI Bidders using the UPI Mechanism.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Offer-related grievances of the Anchor Investors may be addressed to the Book Running Lead Managers giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders’ DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Managers where the Anchor Investor Application Form was submitted by the Anchor Investor.

### Book Running Lead Managers

**ICICI Securities Limited**

ICICI Venture House  
Appasaheb Marathe Marg, Prabhadevi  
Mumbai – 400025, Maharashtra, India  
**Telephone:** +91 22 6807 7100  
**E-mail:** kfintech.ipo@icicisecurities.com  
**Website:** www.icicisecurities.com  
**Investor Grievance ID:**  
customercare@icicisecurities.com  
**Contact person:** Sumit Singh / Shekher Asnani  
**SEBI Registration No.:** INM000011179

**J.P. Morgan India Private Limited**

J.P. Morgan Tower  
Off. CST Road, Kalina, Santacruz East  
Mumbai – 400098  
**Telephone:** +91 22 6157 3000  
**E-mail:** kfintech\_ipo@jpmorgan.com  
**Website:** www.jpmpil.com  
**Investor Grievance ID:**  
investorsmb.jpmpil@jpmorgan.com  
**Contact person:** Govind Khetan  
**SEBI Registration No.:** INM000002970

**Jefferies India Private Limited**

42/43, 2 North Avenue  
Maker Maxity  
Bandra-Kurla Complex (BKC)  
Bandra (East), Mumbai 400 051  
**Telephone:** +91 22 4356 6000  
**E-mail:** kfintech.ipo@jefferies.com  
**Website:** www.jefferies.com  
**Investor Grievance ID:**  
jjipl.grievance@jefferies.com  
**Contact person:** Ashutosh Prajapati  
**SEBI Registration No.:** INM000011443

**Legal Counsel to our Company and the Promoter Selling Shareholder, as to Indian law****AZB & Partners**

AZB House,  
Peninsula Corporate Park  
Ganpatrao Kadam Marg  
Lower Parel  
Mumbai 400 013  
**Telephone:** +91 22 6639 6880

**Legal Counsel to Book Running Lead Managers, as to Indian law****Shardul Amarchand Mangaldas & Co**

24<sup>th</sup> Floor, Express Towers  
Nariman Point, Mumbai 400 021  
Maharashtra, India  
**Telephone:** +91 22 4933 5555

**International Legal Counsel to Book Running Lead Managers****White & Case Pte. Ltd.**

Singapore Office  
88 Market Street  
#41-01, Capita Spring

**Kotak Mahindra Capital Company Limited**

27BKC, 1st Floor, Plot No. C – 27  
"G" Block, Bandra Kurla Complex  
Bandra (East), Mumbai – 400 051  
**Telephone:** +91 22 4336 0000  
**E-mail:** kfintech.ipo@kotak.com  
**Website:** www.investmentbank.kotak.com  
**Investor Grievance ID:** kmccredressal@kotak.com  
**Contact person:** Ganesh Rane  
**SEBI Registration No.:** INM000008704

**IIFL Securities Limited**

10<sup>th</sup> Floor, IIFL Centre, Kamala City  
Senapati Bapat Marg  
Lower Parel (W)  
Mumbai- 400013, India  
**Telephone:** +91 22 4646 4728  
**E-mail:** kfintech.ipo@iiflcap.com  
**Website:** www.iiflcap.com  
**Investor Grievance ID:** ig.ib@iiflcap.com  
**Contact person:** Pawan Jain/Dhruv Bhagwat  
**SEBI Registration No.:** INM000010940



Singapore 048948  
**Telephone:** +65 6225 6000

### **Statutory Auditors to our Company**

#### **B S R & Associates LLP**

Salarpuria Knowledge City  
Orwell B Wing, 6<sup>th</sup> Floor, Unit 3  
Sy No. 83/1, Plot No. 2  
Raidurg, Hyderabad -500 081  
**Telephone no.:** (+91) (40) 7182 2000  
**Fax Number:** (+91) (40) 7182 2399  
**E-mail:** gprakash1@bsraffiliates.com  
**ICAI firm registration No.:** 125710  
**Peer review certificate No.:** 013504

### **Changes in the auditors**

There has been no change in our Statutory Auditors during the three years immediately preceding the date of this Red Herring Prospectus. B S R & Associates LLP has been appointed by the Company as Statutory Auditors w.e.f. July 2, 2019, in the meeting of the Board held on May 22, 2019.

### **Registrar to the Offer**

#### **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 – 400 093  
**Telephone:** +91 22 62638200  
**E-mail:** kfintechipo@bigshareonline.com  
**Website:** www.bigshareonline.com  
**Investor Grievance ID:** investor@ bigshareonline.com  
**Contact person:** Jibu John  
**SEBI Registration No.:** INR000001385

### **Syndicate Member**

#### **Kotak Securities Limited**

4<sup>th</sup> Floor, 12 BKC, G Block  
Bandra Kurla Complex, Bandra (East)  
Mumbai – 400 051  
**Telephone:** +91 22 42858344  
**E-mail:** umesh.gupta@kotak.com  
**Website:** www.kotak.com  
**Contact person:** Umesh Gupta  
**SEBI Registration Number:** INZ000200137

### **Public Offer Banks and Sponsor Banks**

#### **Kotak Mahindra Bank Limited**

Kotak Infiniti, 6<sup>th</sup> Floor, Building No. 21  
Infinity Park, Off Western Express Highway  
General AK Vaidya Marg, Malad (East)  
Mumbai – 400 097  
Maharashtra, India  
**Telephone:** + 91 22 66056588  
**E-mail:** cmsipo@kotak.com  
**Website:** www.kotak.com  
**Contact person:** Kushal Patankar  
**SEBI Registration Number:** INBI00000927

**Axis Bank Limited**

6-3-879/B First Floor  
G Pulla Reddy Building,  
Green Lands, Begumpet- 500 016  
Hyderabad, India

**Telephone:** + 91 81422 00081

**E-mail:** branchhead.hyderabad@axisbank.com

**Website:** www.axisbank.com

**Contact person:** Sridevi Raghu

**SEBI Registration Number:** INBI00000017

**Escrow Collection Bank and Refund Bank****Kotak Mahindra Bank Limited**

Kotak Infiniti, 6<sup>th</sup> Floor, Building No. 21  
Infinity Park, Off Western Express Highway  
General AK Vaidya Marg, Malad (East)  
Mumbai – 400 097

Maharashtra, India

**Telephone:** + 91 22-66056588

**E-mail:** cmsipo@kotak.com

**Website:** www.kotak.com

**Contact person:** Kushal Patankar

**SEBI Registration Number:** INBI00000927

**Banker to our Company****The Hongkong and Shanghai Banking Corporation, India**

6-3-1107 & 1108, Raj Bhavan Road  
Somajiguda, Hyderabad- 500082, India

**Contact Person:** Satyam Agarwal

**Tel:** +91 9591144551

**Website:** www.hsbc.co.in

**Email:** satyamagarwal@hsbc.co.in

**CIN:** F00947

**Designated Intermediaries****Self-Certified Syndicate Banks**

The list of SCSBs notified by SEBI for the ASBA process is available at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a UPI Bidders using the UPI Mechanism), not Bidding through Syndicate/Sub Syndicate or through a Registered Brokers, RTA or CDP may submit the Bid cum Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or at such other websites as may be prescribed by SEBI from time to time.

**SCSBs and mobile applications enabled for UPI Mechanism**

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, UPI Bidders Bidding using the UPI Mechanism in the Offer may apply through the SCSBs and mobile applications (apps) whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019

**Syndicate SCSB Branches**

In relation to Bids (other than Bids by Anchor Investor and RIBs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>) and updated from time to time or any other website prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> as updated from time to time or any other website prescribed by SEBI from time to time.

### **Registered Brokers**

Bidders can submit ASBA Forms in the Offer using the stockbroker network of the stock exchange, *i.e.* through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <https://www.bseindia.com/> and <https://www.nseindia.com>, as updated from time to time.

### **RTAs**

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <https://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?> and <https://www.nseindia.com/products/consent/equities/ipos/asba-procedures.htm>, as updated from time to time.

### **Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the website of the Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?> and [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), as updated from time to time.

### **Experts**

Except as stated below, our Company has not obtained any expert opinions:

- i. Our Company has received written consent dated December 1, 2022 from B S R & Associates LLP, Chartered Accountants, to include their name as required under section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated November 17, 2022 on our Restated Consolidated Financial Information; and (ii) their report dated December 1, 2022 on the Statement of Possible Special Tax Benefits in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act; and
- ii. Our Company has received written consent dated December 1, 2022 from the independent chartered accountant, namely M H A & Associates LLP to include their name in this Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013.

### **Monitoring Agency**

The Offer being an offer for sale, our Company will not receive any proceeds from the Offer and is not required to appoint a monitoring agency for the Offer.

### **Appraising Entity**

As the Offer is an offer for sale of Equity Shares by the Promoter Selling Shareholder, our Company will not receive any proceeds from the Offer. Accordingly, no appraising agency has been appointed.

### **Statement of Responsibility of the Book Running Lead Managers**

The responsibilities and coordination by the BRLMs for various activities in this Offer are as follows:

Sr. No.	Activity	Responsibility	Co-ordinator
1.	Capital structuring, due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	BRLMs	I-Sec
2.	Drafting and approval of all statutory advertisement	BRLMs	I-Sec
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report	BRLMs	Jefferies
4.	Appointment of intermediaries - Registrar to the Offer, advertising agency, Banker(s) to the Offer, Sponsor Bank, printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	BRLMs	Kotak
5.	Preparation of roadshow presentation and Frequently Asked Questions	BRLMs	JPM
6.	International institutional marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> <li>marketing strategy;</li> <li>Finalizing the list and division of investors for one-to-one meetings; and</li> </ul> Finalizing road show and investor meeting schedule	BRLMs	JPM
7.	Domestic institutional marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> <li>marketing strategy;</li> <li>Finalizing the list and division of investors for one-to-one meetings; and</li> <li>Finalizing road show and investor meeting schedule</li> </ul>	BRLMs	Kotak
8.	Retail marketing of the Offer, which will cover, <i>inter alia</i> , <ul style="list-style-type: none"> <li>Finalising media, marketing and public relations strategy including list of frequently asked questions at retail road shows;</li> <li>Finalising centres for holding conferences for brokers, etc.;</li> <li>Follow-up on distribution of publicity and Offer material including application form, the Prospectus and deciding on the quantum of the Offer material; and</li> </ul> Finalising collection centres	BRLMs	I-Sec
9.	Non-Institutional marketing of the Offer, which will cover, <i>inter alia</i> , <ul style="list-style-type: none"> <li>Finalising media, marketing and public relations strategy;</li> </ul> Finalising centres for holding conferences for brokers, etc.;	BRLMs	IIFL
10.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit, anchor coordination, anchor CAN and intimation of anchor allocation	BRLMs	IIFL
11.	Managing the book and finalization of pricing in consultation with the Company	BRLMs	Jefferies
12.	Post-Offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising Company about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, Sponsor Bank, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for submission of all post-Offer reports including the initial and final post-Offer report to SEBI, release of 1% security deposit post closure of the Offer	BRLMs	IIFL

### Credit Rating

As this is an offer of Equity Shares, there is no credit rating for the Offer.

### IPO Grading

No credit rating agency registered with the SEBI has been appointed in respect of obtaining grading for the Offer.

### Debenture Trustees

As this is an offer of Equity Shares, no debenture trustee has been appointed for the Offer.

### Green Shoe Option

No green shoe option is contemplated under the Offer.

## **Filing of the Offer Documents**

A copy of the Draft Red Herring Prospectus has been filed electronically through the SEBI Intermediary Portal at <https://sipotal.sebi.gov.in>, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, and has been emailed to SEBI at [cfddil@sebi.gov.in](mailto:cfddil@sebi.gov.in), in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to “Easing of Operational Procedure –Division of Issues and Listing –CFD.”

A copy of this Red Herring Prospectus, along with the material documents and contracts required to be filed, has been filed with the RoC in accordance with Section 32 of the Companies Act and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, will be filed with the RoC situated at Registrar of Companies, Telangana at Hyderabad, and through the electronic portal at <https://www.mca.gov.in/mcafoportal/login.do>

## **Book Building Process**

Book building, in the context of the Offer, refers to the process of collection of Bids from investors based on the Red Herring Prospectus and the Bid cum Application Forms (and the Revision Forms) within the Price Band. The Price Band and minimum Bid lot will be decided by our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, and will be advertised in all editions of the English national daily newspaper Financial Express, all editions of the Hindi national daily newspaper Jansatta and Hyderabad (Telangana) editions of the Telugu national daily newspaper Surya (Telugu being the regional language of Telangana where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Managers after the Bid/Offer Closing Date. For further details, see “*Offer Procedure*” on page 464.

**All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the UPI Bidders may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.**

**In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. RIBs Bidding in the Retail Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Except for Allocation to RIBs, the Anchor Investors and NIBs, Allocation in the Offer will be on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis.** For further details, see “*Terms of the Offer*”, “*Offer Structure*” and “*Offer Procedure*” on pages 455, 461 and 464, respectively.

**The Book Building Process is in accordance with guidelines, rules and regulations prescribed by SEBI and the Bidding Process are subject to change from time to time and Bidders are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.**

Bidders should note that the Offer is also subject to obtaining (i) final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment within six Working Days of the Bid/Offer Closing Date or such other time period as prescribed under applicable law.

For further details on the method and procedure for Bidding, see “*Offer Structure*” and “*Offer Procedure*” on pages 461 and 464, respectively.

## **Illustration of Book Building Process and Price Discovery Process**

For an illustration of the Book Building Process and the price discovery process, see “*Terms of the Offer*” and “*Offer Procedure*” on pages 455 and 464, respectively.

## **Underwriting Agreement**

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the

RoC, our Company and the Promoter Selling Shareholder will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

*(This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC.)*

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount Underwritten (₹ in million)
[●]	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after determination of Offer Price and actual allocation in accordance with provisions of Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered as merchant bankers with SEBI or registered as brokers with the Stock Exchange(s). Our Board, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, each of the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to Bidders respectively procured by them in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to filing the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Offer by each Book Running Lead Manager shall be as per the Underwriting Agreement.

## CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Red Herring Prospectus, is set forth below:

		Aggregate nominal value (in ₹)	Aggregate value at Offer Price (in ₹) <sup>(1)</sup>
<b>A</b>	<b>AUTHORIZED SHARE CAPITAL*</b>		
	175,980,000 Equity Shares of face value ₹10 each	1,759,800,000	
	1,000 Preference Shares of face value ₹200 each	200,000	
	<b>TOTAL</b>	<b>1,760,000,000</b>	-
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER</b>		
	167,568,883 Equity Shares of face value ₹10 each	1,675,688,830	-
	1,000 Preference shares of face value ₹ 200 each	200,000	
	<b>TOTAL</b>	<b>1,675,888,830</b>	
<b>C</b>	<b>PRESENT OFFER</b>		
	Offer for Sale of up to [●] Equity Shares <sup>(2)(3)</sup>	[●]	[●]
<b>D</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER</b>		
	[●] Equity Shares of ₹ 10 each	[●]	-
<b>E</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Offer		5,005,933,098
	After the Offer		[●]

1. To be included upon finalization of the Offer Price.
2. The Offer has been authorised by our Board pursuant to its resolution dated March 24, 2022.
3. The Promoter Selling Shareholder confirms that the Equity Shares being offered by the Promoter Selling Shareholder is eligible for being offered for sale pursuant to the Offer in terms of Regulation 8 of the SEBI ICDR Regulations. Further, the Promoter Selling Shareholder confirms that its portion of the Offered Shares is within the thresholds prescribed under Regulation 8A of the SEBI ICDR Regulations, to the extent applicable to it. Our Board has taken on record the approval for the Offer for Sale by the Promoter Selling Shareholder pursuant to its resolutions dated March 24, 2022 and December 10, 2022. For details of authorizations received for the Offer, see "Other Regulatory and Statutory Disclosures" beginning on page 437.

\*For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association in the last 10 years" on page 260.

### Notes to the Capital Structure

#### 1. Share capital history of our Company

##### (a) History of Equity Share capital of our Company

The following table sets forth the history of the Equity Share capital of our Company. The face value of the Equity Shares of our Company since its incorporation has been ₹ 10 per Equity Share.

Date of allotment /cancellation/buy-back of Equity Shares	Number of Equity Shares allotted/cancelled/bought -back	Details of allottees and Equity Shares allotted	Face Value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason for / Nature of allotment/cancellation/buy-back	Cumulative number of Equity Shares	Cumulative paid up-Equity Share capital (₹)
June 8, 2017	10,000	Allotment of 5,000 Equity Shares each to Bharat Naidu Bobbili and Venkata Ram Mohan Karavadi	10	10	Cash	Initial subscription to the Memorandum of Association	10,000	100,000
November 16, 2018	55,831,414	Allotment of 55,831,414 Equity Shares to General Atlantic Singapore	10	74.06	Cash	Preferential allotment	55,841,414	558,414,140

Date of allotment/cancellation/buy-back of Equity Shares	Number of Equity Shares allotted/cancelled/bought-back	Details of allottees and Equity Shares allotted	Face Value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason for / Nature of allotment/cancellation/buy-back	Cumulative number of Equity Shares	Cumulative paid up-Equity Share capital (₹)
		Fund Pte. Ltd.						
November 19, 2018	110,000,015	Allotment of 1,808,345 Equity Shares to C. Parthasarathy, 1,768,324 Equity Shares to Adhiraj Parthasarathy, 1,768,324 Equity Shares to Rajat Parthasarathy, 2,184,400 Equity Shares to C. Parthasarathy – HUF, 29,237,258 Equity Shares to Compar Estates and Agencies Private Limited, 24,377,306 Equity Shares to M. Rajini, 2,187,521 Equity Shares to M. Ahalya, 1,177,496 Equity Shares to M. Gangadhar Rao, 8,643,281 Equity Shares to M. Spandana, 7,607,745 Equity Shares to M. Rushyanth, 5,235,591 Equity Shares to M. Meena and 24,004,424 Equity Shares to Jhansi Sureddi	10	-	Other than cash	Allotment pursuant to Scheme of Amalgamation	165,841,429	1,658,414,290
November 19, 2018	(10,000)	Cancellation of 161 Equity Shares each of Adhiraj Parthasarathy and Rajat Parthasarathy, 2,216 Equity Shares of M. Rajini, 199 Equity Shares of M. Ahalya, 107 Equity Shares of M. Gangadhar Rao, 786 Equity Shares of M. Spandana, 476 Equity Shares of M. Meena, 2,182 Equity Shares to Jhansi Sureddi, 363 Equity Shares of C. Parthasarathy – HUF, 2,658 Equity Shares of Compar Estates and Agencies Private Limited and 691	10	-	-	Cancellation pursuant to Scheme of Amalgamation	165,831,429	1,658,314,290



Date of allotment /cancellation/buy-back of Equity Shares	Number of Equity Shares allotted/cancelled/bought-back	Details of allottees and Equity Shares allotted	Face Value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason for / Nature of allotment/cancellation/buy-back	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
		Equity Shares of M. Rushyanth						
October 14, 2019	(14,987,846)	Buy-back of 12,477,692 Equity Shares from General Atlantic Singapore Fund Pte. Ltd., 1,829,648 Equity Shares from Compar Estates and Agencies Private Limited, 197,426 Equity Shares from C. Parthasarathy – HUF, 163,438 Equity Shares from C. Parthasarathy, 159,821 Equity Shares each from Adhiraj Parthasarathy and Rajat Parthasarathy*	10	74.25	Cash	Buy-back	150,843,583	1,508,435,830
November 10, 2021	16,725,100	Allotment of 16,725,100 Equity Shares to Kotak Mahindra Bank Limited <sup>(1)</sup>	10	185.35	Cash	Preferential allotment	167,568,683	1,675,686,830
January 18, 2022	50	Allotment of 50 Equity Shares to Vishwanathan Mavila Nair	10	70.36	Cash	Exercise of ESOPs pursuant to KFin ESOP Plan 2020	167,568,733	1,675,687,330
January 18, 2022	150	Allotment of 50 Equity Shares each to Venkata Satya Naga Sreekanth Nadella, Srinivas Peddada and Vivek Narayan Mathur	10	91.98	Cash	Exercise of ESOPs pursuant to KFin ESOP Plan 2020	167,568,883	1,675,688,830

\*The buyback was approved by the Board on September 7, 2019 and by the Shareholders as on September 30, 2019, in accordance with the applicable laws.

(1) Kotak Mahindra Capital Company Limited, one of the BRLMs, is related to our Shareholder, namely, KMBL. However, on account of this relationship, Kotak Mahindra Capital Company Limited does not qualify as an associate of our Company in terms of Regulation 21(A)(1) of the SEBI (Merchant Bankers) Regulations, 1992, as amended, read with Regulation 23(3) of the SEBI ICDR Regulations.

(b) History of Preference Share Capital of the Company

Date of allotment of preference shares	Number of preference shares allotted <sup>(2)</sup>	Details of allottee and preference shares allotted	Face value per preference share (₹)	Issue price per preference share (₹)	Form of consideration	Reason for/ Nature of allotment	Cumulative number of preference shares	Cumulative paid-up preference share capital (₹)
October 25, 2021	1,000	Allotment of 1,000 non-convertible redeemable preference shares to	200	200	Cash	Preferential issue	1,000	200,000

		Adhiraj Parthasarathy <sup>(1)</sup>					
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(1) The Company has entered into a subscription agreement (“RPS SSA”) dated May 28, 2021, with Adhiraj Parthasarathy, Rajat Parthasarathy and C. Parthasarathy, for the issuance of non-convertible redeemable preference shares (“RPS”) to Adhiraj Parthasarathy. Under shareholders agreement dated August 3, 2017, as amended, entered amongst CP Group, Adhiraj Parthasarathy, GASF and the Company (“SHA 2017”), 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 RPS were issued by the Company to Adhiraj Parthasarathy in accordance with the terms of the RPS SSA. The RPS are not subject to the attachment, pursuant to the Freezing Order by the ED, and are further not subject to any encumbrance. The terms of the above mentioned RPS in accordance with the RPS SSA, are as follows:

- **Term:** Maximum tenure of 20 years from the date of issue.
- **Voting Rights:** The RPS do not carry any voting rights.
- **Convertibility:** The RPS are not convertible into Equity Shares of the Company.
- **Subordination:** The RPS shall be subordinated to the existing indebtedness of our Company and any future senior debt that our Company may take.
- **Redemption:** These RPS shall be redeemed by our Company in accordance with their terms and applicable law, upon payment by our Company of the redemption premium of ₹ 1,340,000,001 (after deduction of any applicable taxes), which takes into consideration a deduction of ₹ 300,000,000 that has been made towards an indemnity claim made by the Company. These RPS shall be redeemed on or after October 25, 2023. Our Company also has the right, exercisable at its sole option, to buy back these RPS instead of redeeming the same.
- **Dividend:** 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 our Board. 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 our Company as per applicable law.
- **Transferability:** 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.

Our Company had, by way of its letter dated October 25, 2021, informed the ED of the issuance of such RPS to Adhiraj Parthasarathy.

(c) Except as disclosed below, our Company has not issued any Equity Shares at a price that may be lower than the Offer Price during a period of one year preceding the date of this Red Herring Prospectus:

Date of allotment	Number of Equity Shares allotted	Details of allottee and Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Form of consideration	Reason for / nature of allotment
November 10, 2021	16,725,100	Allotment of 16,725,100 Equity Shares to Kotak Mahindra Bank Limited	10	185.35	Cash	Preferential allotment
January 18, 2022	50	Allotment of 50 Equity Shares to Vishwanathan Mavila Nair	10	70.36	Cash	Exercise of ESOPs pursuant to KFin ESOP Plan 2020
January 18, 2022	150	Allotment of 50 Equity Shares each to Venkata Satya Naga Sreekanth Nadella, Srinivas Peddada and Vivek Narayan Mathur	10	91.98	Cash	Exercise of ESOPs pursuant to KFin ESOP Plan 2020

(d) Issue of Equity Shares for consideration other than cash or out of revaluation reserve

Our Company has not issued any Equity Shares out of revaluation of reserves since its incorporation.

Further, except as set forth below, our Company has not issued any Equity Shares for consideration other than cash:

Date of allotment	No. of Equity Shares allotted	Details of allottee and Equity Shares allotted	Face value (₹)	Issue price (₹)	Reason/Nature of allotment	Benefits accrued to our Company
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Date of allotment	No. of Equity Shares allotted	Details of allottee and Equity Shares allotted	Face value (₹)	Issue price (₹)	Reason/Nature of allotment	Benefits accrued to our Company
November 19, 2018	110,000,015	Allotment of 1,808,345 Equity Shares to C. Parthasarathy, 1,768,324 Equity Shares to Adhiraj Parthasarathy, 1,768,324 Equity Shares to Rajat Parthasarathy, 2,184,400 Equity Shares to C. Parthasarathy – HUF, 29,237,258 Equity Shares to Compar Estates and Agencies Private Limited, 24,377,306 Equity Shares to M. Rajini, 2,187,521 Equity Shares to M. Ahalya, 177,496 Equity Shares to M. Gangadhar Rao, 8,643,281 Equity Shares to M. Spandana, 7,607,745 Equity Shares to M. Rushyanth, 5,235,591 Equity Shares to M. Meena and 24,004,424 Equity Shares to Jhansi Sureddi	10	-	Allotment pursuant to the Scheme of Amalgamation <sup>(1)</sup>	Demerger of all the assets and liabilities pertaining to the RTA business of KCL (including but not limited to the equity investment of KCL in KCPL) into our Company on a going concern basis; and amalgamation of KCPL into our Company

(1) Pursuant to the Scheme of Amalgamation approved by the NCLT, Hyderabad by its order dated October 23, 2018. For details of the aforesaid Scheme of Amalgamation, see “History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets in the last 10 years”, on page 263.

(e) Issue of Equity Shares pursuant to a Scheme of Amalgamation

Except as set forth below, our Company has not allotted any Equity Shares pursuant to any scheme of amalgamation/arrangement approved under Sections 230 to 234 of the Companies Act, 2013. For details of the Scheme of Amalgamation, see “History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets in the last 10 years”, on page 263.

Date of allotment	No. of Equity Shares allotted	Details of allottee and Equity Shares allotted	Face value (₹)	Issue price (₹)	Reason/Nature of allotment	Benefits accrued to our Company
November 19, 2018	110,000,015	Allotment of 1,808,345 Equity Shares to C. Parthasarathy, 1,768,324 Equity Shares to Adhiraj Parthasarathy, 1,768,324 Equity Shares to Rajat Parthasarathy, 2,184,400 Equity Shares to C. Parthasarathy – HUF, 29,237,258 Equity Shares to Compar Estates and Agencies Private Limited, 24,377,306 Equity Shares to M. Rajini, 2,187,521 Equity Shares to M. Ahalya, 177,496 Equity Shares to M. Gangadhar Rao, 8,643,281 Equity Shares to M. Spandana, 7,607,745 Equity Shares to M. Rushyanth, 5,235,591 Equity Shares to M. Meena and 24,004,424 Equity Shares	10	-	Allotment pursuant to the Scheme of Amalgamation <sup>(1)</sup>	Demerger of all the assets and liabilities pertaining to the RTA business of KCL (including but not limited to the equity investment of KCL in KCPL) into our Company on a going concern basis; and amalgamation of KCPL into our Company

(1) Pursuant to the Scheme of Amalgamation approved by the NCLT, Hyderabad by its order dated October 23, 2018. For details of the aforesaid Scheme of Amalgamation, see “History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets in the last 10 years”, on page 263.

## 2. Details of the Shareholding of our Promoter and members of the Promoter Group in our Company

As on the date of this Red Herring Prospectus, our Promoter holds 123,009,706 Equity Shares, aggregating to 73.41% of the issued, subscribed and paid-up Equity Share capital of our Company (i.e., 72.51% of the issued, subscribed and paid-up Equity Share capital of our Company on a fully-diluted basis), as set forth in the table below.

*Build-up of Promoter's shareholding in our Company*

The build-up of the equity shareholding of our Promoter is set forth in the table below.

General Atlantic Singapore Fund Pte. Ltd.#							
Date of allotment/ transfer/buy-back and made fully paid up	Number of Equity Shares	Face value per Equity Share (₹)	Issue/ Transfer/buy- back price per Equity Share (₹)	Nature of consideration	Nature of acquisition/ allotment/ transfer/buy- back	Percentage of pre- Offer equity share capital of the Company <sup>(1)</sup> (%)	Percentage of post-Offer equity share capital of the Company on a fully diluted basis <sup>(1)</sup> (%)
November 16, 2018	55,831,414	10	74.06	Cash	Allotment	32.91	[●]
November 20, 2018	24,377,306	10	74.06	Cash	Transfer from M Rajini	14.37	[●]
November 20, 2018	2,187,521	10	74.06	Cash	Transfer from M Ahalya	1.29	[●]
November 20, 2018	1,177,496	10	74.06	Cash	Transfer from M Gangadhar Rao	0.69	[●]
November 20, 2018	8,643,281	10	74.06	Cash	Transfer from M Spandana	5.10	[●]
November 20, 2018	7,607,745	10	74.06	Cash	Transfer from M Rushyanth	4.48	[●]
November 20, 2018	5,235,591	10	74.06	Cash	Transfer from M Meena	3.09	[●]
November 20, 2018	8,993,314	10	74.06	Cash	Transfer from Compar Estates and Agencies Private Limited	5.30	[●]
November 22, 2018	24,004,424	10	74.06	Cash	Transfer from Jhansi Sureddi	14.15	[●]
October 14, 2019	(12,477,692)	10	74.25	Cash	Buy-back	(7.36)	[●]
November 28, 2022	(1,285,347)	10	389	Cash	Transfer to India Acorn Fund Ltd.	(0.76)	[●]
November 29, 2022	(1,285,347)	10	389	Cash	Transfer to IIFL India Private Equity Fund – Series 1A	(0.76)	[●]
<b>Total</b>	<b>123,009,706</b>					<b>72.51</b>	<b>[●]</b>

<sup>(1)</sup>Assuming exercise of all vested stock options by the employees under the ESOP Schemes.

# The erstwhile promoters of our Company were re-classified, pursuant to the applicable laws, in the Financial Year 2019-20. Pursuant to the reclassification of the erstwhile promoters, General Atlantic Singapore Fund Pte. Ltd. has been identified as Promoter of the Company.

The details of the shareholding of our Promoter and the members of the Promoter Group, as on the date of this Red Herring Prospectus, are set forth in the table below:

Sr. No.	Name of the Shareholder	No. of Equity Shares of face value ₹10 each	Percentage of the pre-Offer Equity Share Capital (%)	Percentage of the post-Offer Equity Share Capital (%)
1.	General Atlantic Singapore Fund Pte. Ltd.	123,009,706	73.41	[●]
2.	General Atlantic Singapore KFT Pte. Ltd.	1,608,503	0.96	[●]
<b>Total</b>		<b>124,618,209</b>	<b>74.37</b>	<b>[●]</b>

None of the Equity Shares held by our Promoter and the members of the Promoter Group are pledged.

The entire shareholding of our Promoter and the members of the Promoter Group are in dematerialised form as on the date of this Red Herring Prospectus.

Except as disclosed in this Red Herring Prospectus under “Capital Structure - Notes to the Capital Structure – Share capital history of our Company” on page beginning on 95, none of the members of the Promoter Group, the directors of our Promoter, our Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of the Draft Red Herring Prospectus and this Red Herring Prospectus.

### 3. Shareholding Pattern of our Company:

Category(I)	Category of Shareholder (II)	No. of Shareholders (II I)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying Equity Depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total No. of Equity Shares (calculate as per SCRR) (VIII) As a % of (A+B+C2)	No. of Voting Rights held in each class of securities (IX) No. of Voting Rights			No. of Equity Shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted equity share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	No. of locked in Equity Shares		No. of Equity Shares pledged or otherwise encumbered <sup>(1)</sup>		No. of Equity Shares held in dematerialized form (XIV)
								Class (Equity)	Total	Total as a % of (A+B+C)			(XII)		(XIII)		
													No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoter and Promoter Group	2	124,618,209	-	-	124,618,209	74.37	124,618,209	124,618,209	74.37	-	-	-	-	-	-	124,618,209
(B)	Public <sup>(2)</sup>	11	42,950,674	-	-	42,950,674	25.63	42,950,674	42,950,674	25.63	-	-	-	-	23,654,680 <sup>(1)</sup>	14.12	42,950,674
(C)	Non Promoter - Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A+B+C)	13	167,568,883	-	-	167,568,883	100.00	167,568,883	167,568,883	100.00	-	-	-	-	23,654,680	14.12	167,568,883

1) 1,608,503 Equity Shares being blocked positions and 22,046,177 Equity Shares being subject to a non-disposal undertaking.

2) Four of these Shareholders are members of the CP Group, collectively holding 23,654,680 Equity Shares aggregating to 14.12% of our Company's Equity Share capital, which are subject to a provisional attachment for 180 days (since March 8, 2022) or until order by the adjudicating authority under section 8(3) of PMLA, pursuant to a provisional attachment order bearing Order no. 6, dated March 8, 2022, issued by the ED with reference to file no. ECIR/HYZO/14/2021 dated May 19, 2021.

#### 4. Details of encumbrances in favor of certain lenders of the CP Group

Based on the beneficiary position statement of our Company dated December 9, 2022, the details of the KFin Subject Shares and nature of the encumbrance are as follows:

S. No.	Name of Restricted Shareholder	No. of KFin Subject Shares	Pre-Offer Shareholding percentage (%)	Nature of encumbrance*
1.	C. Parthasarathy	16,44,907	0.98%	Non-disposal undertaking
2.	Rajat Parthasarathy	16,08,503	0.96%	Blocked Position
3.	Compar Estates and Agencies Private Limited	18,414,296	10.99%	Non-disposal undertaking
4.	C. Parthasarathy – HUF (Karta – C. Parthasarathy)	1,986,974	1.19%	Non-disposal undertaking
	<b>Total KFin Subject Shares</b>	<b>23,654,680</b>	<b>14.12%</b>	

\*In favour of HDFC Bank Limited and ICICI Bank Limited, being lenders of the CP Group, based on publicly available information available on the website of the Bombay High Court and Debt recovery Tribunal, Hyderabad. For risks in this regard, see "Risk Factors- The Equity Shares held by certain members of the CP Group are subject to encumbrances in favor of their lenders. Any enforcement of encumbrances by such lenders may have an adverse impact on the market price of the Equity Shares of the Company" on page 48.

#### 5. Other details of Shareholding of our Company

As on the date of this Red Herring Prospectus, our Company has 13 Shareholders and one preference shareholder.

- (i) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, on a fully diluted basis, as on the date of this Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer equity share capital <sup>(1)</sup> (%)
1.	General Atlantic Singapore Fund Pte. Ltd.	123,009,706	72.51
2.	Compar Estates and Agencies Private Limited	18,414,296	10.86
3.	Kotak Mahindra Bank Limited	16,725,100	9.86
4.	C. Parthasarathy – HUF	1,986,974	1.17
	<b>Total</b>	<b>160,136,076</b>	<b>94.40</b>

<sup>(1)</sup>Assuming exercise of all vested stock options by the employees under the ESOP Schemes.

Sr. No.	Name of the Shareholder	No. of Preference Shares	Percentage of the pre-Offer preference capital (%)
1.	Adhiraj Parthasarathy	1,000	100

- (ii) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, on a fully diluted basis, as of 10 days prior to the date of this Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer equity share capital <sup>(1)</sup> (%)
1.	General Atlantic Singapore Fund Pte. Ltd.	123,009,706	72.51
2.	Compar Estates and Agencies Private Limited	18,414,296	10.86
3.	Kotak Mahindra Bank Limited	16,725,100	9.86
4.	C. Parthasarathy – HUF	1,986,974	1.17
	<b>Total</b>	<b>160,136,076</b>	<b>94.40</b>

<sup>(1)</sup>Assuming exercise of all vested stock options by the employees under the ESOP Schemes..

Sr. No.	Name of the Shareholder	No. of Preference Shares	Percentage of the pre-Offer preference capital (%)
1.	Adhiraj Parthasarathy	1,000	100

- (iii) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, on a fully diluted basis, as of the date one year prior to the date of this Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer equity share capital <sup>(1)</sup> (%)
1.	General Atlantic Singapore Fund Pte. Ltd.	125,580,400	74.03
2.	Compar Estates and Agencies Private Limited	18,414,296	10.86
3.	Kotak Mahindra Bank Limited	16,725,100	9.86
4.	C. Parthasarathy – HUF	1,986,974	1.17
<b>Total</b>		<b>162,702,770</b>	<b>95.92</b>

<sup>(1)</sup>Assuming exercise of all vested stock options by the employees under the ESOP Schemes.

Sr. No.	Name of the Shareholder	No. of Preference Shares	Percentage of the pre-Offer preference capital (%)
1.	Adhiraj Parthasarathy	1,000	100

(iv) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, on a fully diluted basis, as of the date two years prior to the date of this Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer equity share capital <sup>(1)</sup> (%)
1.	General Atlantic Singapore Fund Pte. Ltd.	125,580,400	82.13
2.	C. Parthasarathy	1,644,907	1.08
3.	Adhiraj Parthasarathy	1,608,503	1.05
4.	Rajat Parthasarathy	1,608,503	1.05
5.	Compar Estates and Agencies Private Limited	18,414,296	12.04
6.	C. Parthasarathy – HUF	1,986,974	1.30
<b>Total</b>		<b>158,043,583</b>	<b>98.65</b>

<sup>(1)</sup>Assuming exercise of all vested stock options by the employees under the ESOP Schemes.

## 6. Shareholding of our Directors and/or Key Management Personnel:

Except as set forth below, none of the Directors or Key Management Personnel hold any Equity Shares as on the date of this Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer equity share capital (%)	Percentage of the post-Offer equity share capital (%)
<i>Directors</i>				
1.	Vishwanathan Mavila Nair	50	Negligible	●
2.	Venkata Satya Naga Sreekanth Nadella	50	Negligible	●
3.	Srinivas Peddada	50	Negligible	●
<i>Key Managerial Personnel</i>				
4.	Vivek Narayan Mathur	50	Negligible	●
<b>Total</b>		<b>200</b>	<b>Negligible</b>	<b>●</b>

\*For details in relation to granted and vested stock options issued to the Directors and Key Managerial Personnels, please refer “Capital Structure - Employee Stock Options Schemes” on page 106.

## 7. Details of lock-in

### 7.1. Details of Promoters’ contribution locked-in for 18 months

a) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital, assuming exercise of all vested options of our Company as on the date of this Red Herring Prospectus, except for the Equity Shares offered pursuant to the Offer for Sale, shall be locked in for a period of 18 months from the date of Allotment as minimum Promoter’s contribution (“**Minimum Promoter’s Contribution**”).

b) Based on the above, the details of the Equity Shares to be locked-in for 18 months from the date of Allotment as

Minimum Promoter's Contribution are set forth in the table below\*.

Name of Promoter	Number of Equity Shares locked-in <sup>(1)</sup>	Date of allotment/acquisition of Equity Shares	Nature of transaction	Face value per Equity Share (₹)	Issue/ Acquisition price per Equity Share (₹)	Percentage of the pre- Offer paid-up Equity Share capital (%)	Percentage of the post- Offer paid-up Equity Share capital (%) <sup>(2)</sup>	Date up to which the Equity Shares are subject to lock-in
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total</b>	[•]				[•]	[•]	[•]	[•]

\*To be included in the Prospectus.

<sup>(1)</sup> For a period of 18 months from the date of Allotment.

<sup>(2)</sup> Assuming exercise of all vested stock options by the employees under the ESOP Schemes.

Our Promoter has consented to include such number of Equity Shares held by it, as may constitute 20% of the fully diluted post-Offer equity share capital of our Company as Minimum Promoter's Contribution. Our Promoter has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Minimum Promoter's Contribution from the date of filing the Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Minimum Promoter's Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoter, see “- Details of the Shareholding of our Promoter and members of the Promoter Group in our Company” on page 99.

Further, with respect to the Equity Shares being offered for Minimum Promoter's Contribution, we confirm the following:

- i. the Equity Shares offered for Minimum Promoter's Contribution do not include Equity Shares acquired in the three immediately preceding years (a) for consideration other than cash, involving revaluation of assets or capitalisation of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealised profits of our Company or from a bonus issue against Equity Shares, which are otherwise ineligible for computation of Minimum Promoter's Contribution;
- ii. the Equity Shares offered for Minimum Promoter's Contribution do not include Equity Shares allotted during the one year preceding the date of this Red Herring Prospectus at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- iii. our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company; and
- iv. the Equity Shares forming part of the Minimum Promoter's Contribution are not subject to any pledge or any other encumbrance.

Accordingly, the Equity Shares offered for Minimum Promoter's Contribution are eligible in terms of Regulation 15 of the SEBI ICDR Regulations.

## 7.2. Details of other Equity Shares locked-in for 18 months

Our Promoter has undertaken and consented that, over and above the Minimum Promoters' Contribution, 8,993,314 Equity Shares aggregating to 5.37% of the pre- Offer Equity Share capital of our Company, which were acquired by our Promoter from the CP Group, shall be locked in for a period of 18 months from the date of Allotment. For details of these Equity Shares acquired by our Promoter, see “-Details of the Shareholding of our Promoter and members of the Promoter Group in our Company” above.

## 7.3. Details of equity share capital locked-in for six months



Unless provided otherwise under applicable law, pursuant to the SEBI ICDR Regulations, the entire pre-Offer capital of our Company (excluding the Equity Shares held by our Promoter mentioned in point 7 above) shall be locked-in for a period of six months from the date of Allotment, except for (a) Equity Shares allotted to employees, whether currently an employee or not, under the KFin ESOP Plan 2020; (b) Equity Shares held by an employee stock option trust or transferred to the employees by an employee stock option trust pursuant to exercise of options by the employees, whether currently an employee or not, in accordance with the KFin ESOP Plan 2020; (c) Equity Shares held by a venture capital fund or alternative investment fund of Category I or Category II or a foreign venture capital investor, which shall be locked in for a period of six months from the date of purchase by such investor, as applicable; and (d) Offered Shares, which are successfully sold and transferred as part of the Offer. Further, any unsubscribed portion of the Offered Shares will also be locked in, as required under the SEBI ICDR Regulations.

The KFin Subject Shares, i.e., 23,654,680 Equity Shares held by CP Group, aggregating to 14.12% of our Company's Equity Share capital, are subject to a freezing order from the ED (File No. ECIR/HYZO/14/2021) received by our Company on September 24, 2021 ("**Freezing Order**") and a provisional attachment for 180 days (since March 8, 2022) or until order by the adjudicating authority under section 8(3) of PMLA, pursuant to a provisional attachment order bearing Order no. 6, dated March 8, 2022, issued by the ED with reference to file no. ECIR/HYZO/14/2021 dated May 19, 2021 ("**Attachment Order**", and together with Freezing Order, the "**ED Orders**"), further to which these KFin Subject Shares cannot be transferred, disposed, parted with, or otherwise dealt with in any manner, whatsoever, until or unless specifically permitted to do so by the ED. The details of the KFin Subject Shares held by CP Group mentioned above are as follows:

S.No.	Name of the Restricted Shareholder	No. of KFin Subject Shares	% of our Company's Equity Share capital
1.	Compar Estates and Agencies Private Limited	18,414,296	10.99
2.	C. Parthasarathy	1,644,907	0.98
3.	C. Parthasarathy HUF (Karta - C. Parthasarathy)	1,986,974	1.19
4.	Rajat Parthasarathy	1,608,503	0.96
<b>Total</b>		<b>23,654,680</b>	<b>14.12</b>

For further details, please see "*Risk Factors - Our erstwhile promoters are subject to ongoing investigations by enforcement agencies, including Enforcement Directorate, Ministry of Finance, Government of India ("ED") and the outcome of such investigations may adversely impact our Company and the market price of our Equity Shares.*", on page 31 of this Red Herring Prospectus.

Additionally, based on the beneficiary position statement dated December 9, 2022 issued by the depositories, the KFin Subject Shares are subjected to encumbrances in the nature of non-disposal undertaking and block positions. For further details of such encumbrances, please see "*Shareholding Pattern of our Company*" and "*Details of encumbrances in favor of certain lenders of the CP Group*" above.

In the event the KFin Subject Shares are released from the ED Orders prior to the date of Allotment of Equity Shares pursuant to the Offer, such released KFin Subject Shares will be locked-in, in accordance with the applicable SEBI ICDR Regulations and in the event, the KFin Subject Shares are released from ED Orders post the date of Allotment of Equity Shares pursuant to the Offer but within the 6 (six) months lock-in period, such released KFin Subject Shares will be locked-in from the date on which such KFin Subject Shares are released until the remainder of the 6 (six) months lock-in period, in accordance with the applicable SEBI ICDR Regulations.

#### **7.4. Lock-in of Equity Shares Allotted to Anchor Investors**

50% of the Equity Shares Allotted to Anchor Investors will be locked-in for a period of 90 days from the date of Allotment, and the remaining 50% of Equity Shares Allotted to Anchor Investors will be locked-in for a period of 30 days from the date of Allotment.

#### **7.5. Recording on non-transferability of Equity Shares locked-in**

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

#### **7.6. Other requirements in respect of lock-in**

Pursuant to Regulation 21 of the SEBI ICDR Regulations, the Equity Shares held by our Promoter and locked-in, as mentioned above, may be pledged as collateral security for a loan granted by a scheduled commercial bank, a public financial institution, NBFC-SI or a housing finance company, subject to the following:

- i. With respect to the Equity Shares locked-in for six months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan; and
- ii. With respect to the Equity Shares locked-in as Minimum Promoter's Contribution for 18 months from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by our Promoter and locked-in in terms of Regulation 16 of the SEBI ICDR Regulations, may be transferred to any member of our Promoter Group or a new promoter, subject to continuation of lock-in, in the hands of such transferee, for the remaining period and compliance with provisions of the Takeover Regulations.

Our Promoter has agreed not to transfer, create any pledge or any other type of encumbrance on the Minimum Promoter's Contribution from the date of this Red Herring Prospectus, until the expiry of the lock-in specified above, or for such other time as required under the SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons prior to the Offer and locked-in for a period of six months, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in in the hands of such transferee for the remaining period and compliance with the applicable provisions of the Takeover Regulations.

#### **8. Employee Stock Options Schemes**

Except as disclosed above under "*Notes to Capital Structure – Share capital history of our Company*" above, our Company has not issued any equity shares pursuant to the exercise of options, which have been granted under the employee stock option schemes. The following are the details of the employee stock option schemes of our Company:

##### *KFin Employees Stock Option Plan, 2020*

The members of our Company at the extraordinary general meeting held on July 31, 2019 have approved KFPL Employee Stock Option Plan 2019 ("**KFin ESOP Plan 2019**"). Pursuant to the above resolution, the stock options were approved to be granted to the employees of our Company including our subsidiaries (Group) whether existing or future, for not exceeding and aggregate of 9,593,839 units equivalent to 9,593,839 Equity Shares, at such price and on such terms and conditions as may be fixed or determined by the Board of Directors in accordance with the guidelines or other applicable provisions of any law as may be prevailing at that time. Subsequently, the Board on recommendation of the Nomination and Remuneration Committee of the Board approved the following schemes:

- KFPL Employees Stock Option Plan 2019 – Scheme A
- KFPL Employees Stock Option Plan 2019 – Scheme B

- KFPL Employees Stock Option Plan 2019 – Scheme C

The members of our Company at the extraordinary general meeting held on October 20, 2020 approved the extinguishment/ reduction/ cancellation of 2,500,000 units from the share pool of KFin ESOP Plan 2019 and to rename the KFin ESOP Plan 2019 as KFin Employee Stock Option Plan 2020 (“**KFin ESOP Plan 2020**”) and respective schemes as follows:

- KFin Employees Stock Option Plan 2020 – Scheme A
- KFin Employees Stock Option Plan 2020 – Scheme B
- KFin Employees Stock Option Plan 2020 – Scheme C

In addition to the abovementioned schemes, the Board on recommendation of the Nomination and Remuneration Committee of the Board dated October 28, 2021 approved the following additional schemes on November 1, 2021:

- KFin Employees Stock Option Plan 2020 – Scheme D
- KFin Employees Stock Option Plan 2020 – Scheme E
- KFin Employees Stock Option Plan 2020 – Scheme F

In addition to the abovementioned schemes, the Board on recommendation of the Nomination and Remuneration Committee of the Board dated March 8, 2022 approved “KFin Employees Stock Option Plan 2020 – Scheme G” on March 11, 2022

The KFin ESOP Plan 2020 is in compliance with the SEBI SBEB Regulations and the Companies Act, 2013, and is accounted for in accordance with guidance notes issued by ICAI and the relevant accounting standards, as per the certificate dated December 10, 2022, from M H A & Associates LLP. Further details in relation to the KFin ESOP Plan 2020 are as follows:

Pursuant to the Scheme A, the Company has granted 1,820,249 options to the employees of the Company, of the granted options, an aggregate of 420,176 options have been vested of which Nil options have been exercised, 855,029 options have lapsed/forfeited/cancelled, and 545,044 options are outstanding as on the date of this RHP.

Particulars	Details-Scheme A			
	Fiscal 2020	Fiscal 2021	Fiscal 2022	For the period from April 1, 2022 till December 10, 2022
Options granted	1,094,016	726,233	NA	NA
	Cumulative options granted as on July 31, 2019: December 10, 2022			
No. of employees to whom options were granted	5	49	NA	NA
	Cumulative options granted as on July 31, 2019: December 10, 2022			
Options vested (including options that have been exercised)	420,176			
Options exercised	Nil			
Options forfeited/ lapsed/ cancelled	855,029			
Options outstanding (including vested and unvested options)	965,220			
Exercise price of options	Grant 1: ₹ 70.36/- Grant 2: ₹ 70.36/- Grant 3: ₹ 91.98/- Grant 4: ₹ 110.00/-			

Particulars	Details-Scheme A	
	Grant 5: NA Grant 6: NA	
Total no. of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options)	No exercise from Scheme A	
Variation in terms of options	NA	
Money realised by exercise of options	NA	
Total no. of options in force	965,220	
Employee wise details of options granted to		
(i) Key management personnel	<b>Name of Key Managerial Personnel</b> <b>Total no. of options granted</b>	
	<b>Fiscal Year 2020</b>	
	Venkata Satya Naga Sreekanth Nadella	223,729
	<b>Fiscal Year 2021</b>	
	Venkata Satya Naga Sreekanth Nadella	223,728
	Vivek Narayan Mathur	55,552
	<b>Fiscal Year 2022</b>	
	NA	NA
	<b>For the period from April 1, 2022 till December 10, 2022</b>	
	NA	NA
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	<b>Name of employee</b> <b>Total no. of options granted</b>	
	<b>Fiscal Year 2020</b>	
	Giridhar G	67,119
	<b>Fiscal Year 2021</b>	
	Srinivas Peddada	138,879
	Lakshminarayanan (Resigned)	55,552
	<b>Fiscal year 2022</b>	
	NA	NA
	<b>For the period from April 1, 2022 till December 10, 2022</b>	
	NA	NA
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	<b>Name of employee</b> <b>Total no. of options granted</b>	
	NA	NA
	NA	NA
Fully diluted EPS on a pre-Offer basis pursuant to the issue of equity shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share'	₹ 6.68	
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company	Nil	
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free	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  Risk free interest rate : 6.47%/ 6.88%/6.40%	

<b>Particulars</b>	<b>Details-Scheme A</b>
interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Expected life of share options (years) : 8.15/7.72 years/7.06 years Expected volatility (weighted average volatility %) : 14.61%/ 13.96%/16.16% Expected dividend yields (%): Nil
Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in the SEBI ESOP Regulations in respect of options granted in the last three years	For Fiscal 2022: Nil For Fiscal 2021: Nil For Fiscal 2020: Nil As on December 10, 2022: Nil
Intention of the key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the initial public offer (aggregate number of Equity Shares intended to be sold by the holders of options), if any	No
Intention to sell Equity Shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by directors, senior managerial personnel and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than one per cent. of the issued capital (excluding outstanding warrants and conversions)	No

Pursuant to the KFin Employees Stock Option Plan 2020 - Scheme A, as on date of RHP, the Company has not issued any Equity Shares to any of its employees.

Pursuant to the Scheme B, the Company has granted 2,015,054 options to the employees of the Company, of the granted options, an aggregate of 1,329,603 options have been vested of which 200 options have been exercised, 685,451 options have lapsed/forfeited/cancelled and NIL options are outstanding as on the date of this RHP.

<b>Particulars</b>	<b>Details-Scheme B</b>			
Options granted	<b>Fiscal 2020</b>	<b>Fiscal 2021</b>	<b>Fiscal 2022</b>	<b>For the period from April 1, 2022 till December 10, 2022</b>
	820,511	544,677	649,866	NA
	Cumulative options granted as on July 31, 2019: December 10, 2022			
No. of employees to whom options were granted	<b>Fiscal 2020</b>	<b>Fiscal 2021</b>	<b>Fiscal 2022</b>	<b>For the period from April 1, 2022 till December 10, 2022</b>
	5	49	58	NA
	Cumulative options granted as on July 31, 2019: December 10, 2022			
Options vested (including options that have been exercised)	1,329,603			
Options exercised	200			
Options forfeited/ lapsed/ cancelled	685,451			

<b>Particulars</b>	<b>Details-Scheme B</b>																						
Options outstanding (including vested and unvested options)	1,329,603																						
Exercise price of options	Grant 1: ₹ 70.36/- Grant 2: ₹ 70.36/- Grant 3: ₹ 91.98/- Grant 4: ₹ 110.00/- Grant 5: ₹ 185.00/- Grant 6: NA																						
Total no. of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options)	200 options exercised																						
Variation in terms of options	NA																						
Money realised by exercise of options	₹ 19, 685 (excluding tax)																						
Total no. of options in force	NIL																						
Employee wise details of options granted to																							
(i) Key management personnel	<table border="1"> <thead> <tr> <th><b>Name of Key Managerial Personnel</b></th> <th><b>Total no. of options granted</b></th> </tr> </thead> <tbody> <tr> <td colspan="2" style="text-align: center;"><b>Fiscal year 2020</b></td> </tr> <tr> <td>Venkata Satya Naga Sreekanth Nadella</td> <td>167,796</td> </tr> <tr> <td colspan="2" style="text-align: center;"><b>Fiscal year 2021</b></td> </tr> <tr> <td>Vivek Narayan Mathur</td> <td>41,664</td> </tr> <tr> <td>Venkata Satya Naga Sreekanth Nadella</td> <td>167,796</td> </tr> <tr> <td colspan="2" style="text-align: center;"><b>Fiscal year 2022</b></td> </tr> <tr> <td>Vivek Narayan Mathur</td> <td>87,088</td> </tr> <tr> <td colspan="2" style="text-align: center;"><b>For the period from April 1, 2022 till December 10, 2022</b></td> </tr> <tr> <td>NA</td> <td>NA</td> </tr> </tbody> </table>	<b>Name of Key Managerial Personnel</b>	<b>Total no. of options granted</b>	<b>Fiscal year 2020</b>		Venkata Satya Naga Sreekanth Nadella	167,796	<b>Fiscal year 2021</b>		Vivek Narayan Mathur	41,664	Venkata Satya Naga Sreekanth Nadella	167,796	<b>Fiscal year 2022</b>		Vivek Narayan Mathur	87,088	<b>For the period from April 1, 2022 till December 10, 2022</b>		NA	NA		
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(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	<table border="1"> <thead> <tr> <th><b>Name of employee</b></th> <th><b>Total no. of options granted</b></th> </tr> </thead> <tbody> <tr> <td>NA</td> <td>NA</td> </tr> <tr> <td>NA</td> <td>NA</td> </tr> </tbody> </table>	<b>Name of employee</b>	<b>Total no. of options granted</b>	NA	NA	NA	NA																
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NA	NA																						
NA	NA																						
Fully diluted EPS on a pre-Offer basis pursuant to the issue of equity shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share'	₹ 6.68																						
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company	Nil																						

<b>Particulars</b>	<b>Details-Scheme B</b>
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	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  Risk free interest rate: 6.47%/ 6.88%/6.40%/6.79% Expected life of share options (years): 8.15/7.72 /7.06 /4.16 Expected volatility (weighted average volatility %): 14.61%/ 13.96% 16.16%/17.62% Expected dividend yields (%): Nil
Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in the SEBI ESOP Regulations in respect of options granted in the last three years	For Fiscal 2022: Nil For Fiscal 2021: Nil For Fiscal 2020: Nil As on December 10, 2022: Nil
Intention of the key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the initial public offer (aggregate number of Equity Shares intended to be sold by the holders of options), if any	No
Intention to sell Equity Shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by directors, senior managerial personnel and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than one per cent. of the issued capital (excluding outstanding warrants and conversions)	No

Pursuant to the KFin Employees Stock Option Plan 2020 - Scheme B, the Company has issued 200 Equity Shares to four employees including three Directors of the Company.

Pursuant to the Scheme C, the Company has granted 1,844,291 options, to the employees of the Company, of the granted options, an aggregate of Nil options have been vested of which Nil options have been exercised, 682,746 options have lapsed/forfeited/cancelled and 1,161,545 options are outstanding as on the date of this RHP.

<b>Particulars</b>	<b>Details-Scheme C</b>			
Options granted	<b>Fiscal 2020</b>	<b>Fiscal 2021</b>	<b>Fiscal 2022</b>	<b>For the period from April 1, 2022 till December 10, 2022</b>
	820,511	544,676	479,104	NA
	Cumulative options granted as on July 31, 2019: December 10, 2022			
No. of employees to whom options were granted	<b>Fiscal 2020</b>	<b>Fiscal 2021</b>	<b>Fiscal 2022</b>	<b>For the period from April 1, 2022 till December 10, 2022</b>
	5	49	34	NA
	Cumulative options granted as on July 31, 2019: December 10, 2022			

<b>Particulars</b>	<b>Details-Scheme C</b>	
Options vested (including options that have been exercised)	Nil	
Options exercised	Nil	
Options forfeited/ lapsed/ cancelled	682,746	
Options outstanding (including vested and unvested options)	1,161,545	
Exercise price of options	Grant 1: ₹ 70.36/- Grant 2: ₹ 70.36/- Grant 3: ₹ 91.98/- Grant 4: ₹ 110.00/- Grant 5: ₹ 185.00/- Grant 6: NA	
Total no. of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options)	No options exercised from scheme C	
Variation in terms of options	NA	
Money realised by exercise of options	NA	
Total no. of options in force	1,161,545	
Employee wise details of options granted to		
(i) Key management personnel	<b>Name of Key Managerial Personnel</b>	<b>Total no. of options granted</b>
	<b>Fiscal year 2020</b>	
	Venkata Satya Naga Sreekanth Nadella	167,796
	<b>Fiscal year 2021</b>	
	Vivek Narayan Mathur	41,664
	Venkata Satya Naga Sreekanth Nadella	167,796
	<b>Fiscal year 2022</b>	
	Vivek Narayan Mathur	87,088
	<b>For the period from April 1, 2022, till December 10, 2022</b>	
	NA	NA
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	<b>Name of employee</b>	<b>Total no. of options granted</b>
	<b>Fiscal year 2020</b>	
	Giridhar G	50,339
	<b>Fiscal year 2021</b>	
	Srinivas Peddada	104,159
	Lakshminarayanan Kalyanam (Resigned)	41,664
	<b>Fiscal year 2022</b>	
	Quah Meng Kee	35,561
	<b>For the period from April 1, 2022, till December 10, 2022</b>	
	NA	NA
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	<b>Name of employee</b>	<b>Total no. of options granted</b>
	NA	NA
	NA	NA
Fully diluted EPS on a pre-Offer basis pursuant to the issue of equity shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share'	₹ 6.68	
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall	Nil	



<b>Particulars</b>	<b>Details-Scheme C</b>
have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company	
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	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  Risk free interest rate : 6.47%/ 6.88%/6.40%/6.79% Expected life of share options (years) : 8.15/7.72 /7.06 /4.16 Expected volatility (weighted average volatility %) : 14.61%/ 13.96% 16.16%/17.62% Expected dividend yields (%): Nil
Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in the SEBI ESOP Regulations in respect of options granted in the last three years	For Fiscal 2022: Nil For Fiscal 2021: Nil For Fiscal 2020: Nil As on December 10, 2022: Nil
Intention of the key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the initial public offer (aggregate number of Equity Shares intended to be sold by the holders of options), if any	No
Intention to sell Equity Shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by directors, senior managerial personnel and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than one per cent. of the issued capital (excluding outstanding warrants and conversions)	No

Pursuant to the KFin Employees Stock Option Plan 2020 - Scheme C, as on date of RHP, the Company has not issued any Equity Shares to any of its employees.

Pursuant to the Scheme D, the Company has granted 1,930,966 options to the employees of the Company of the granted options, an aggregate of 206,659 options have been vested of which Nil options have been exercised, 198,876 options have lapsed/forfeited/cancelled and 1,525,431 options are outstanding as on the date of this RHP.

<b>Particulars</b>	<b>Details-Scheme D</b>			
Options granted	<b>Fiscal 2020</b>	<b>Fiscal 2021</b>	<b>Fiscal 2022</b>	<b>For the period from April 1, 2022 till December 10, 2022</b>
	NA	NA	1,930,966	NA
	Cumulative options granted as on July 31, 2019: December 10, 2022			
No. of employees to whom options were granted	<b>Fiscal 2020</b>	<b>Fiscal 2021</b>	<b>Fiscal 2022</b>	<b>For the period from April 1, 2022</b>

Particulars	Details-Scheme D		
			till December 10, 2022
	NA	NA	67
	Cumulative options granted as on July 31, 2019: December 10, 2022		
Options vested (including options that have been exercised)	2,06,659		
Options exercised	Nil		
Options forfeited/ lapsed/ cancelled	1,98,876		
Options outstanding (including vested and unvested options)	17,32,090		
Exercise price of options	Grant 1: NA Grant 2: NA Grant 3: NA Grant 4: NA Grant 5: ₹ 185.00/- Grant 6: ₹ 185.00/-		
Total no. of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options)	No options exercised from scheme D		
Variation in terms of options	NA		
Money realised by exercise of options	NA		
Total no. of options in force	1,732,090		
Employee wise details of options granted to			
(i) Key management personnel	<b>Name of Key Managerial Personnel</b>		<b>Total no. of options granted</b>
	<b>Fiscal year 2020</b>		
	NA		NA
	<b>Fiscal year 2021</b>		
	NA		NA
	<b>Fiscal year 2022</b>		
	Venkata Satya Naga Sreekanth Nadella		120,000
	Vivek Narayan Mathur		116,116
	Alpana Uttam Kundu		14,911
	<b>For the period from April 1, 2022 till December 10, 2022</b>		
NA		NA	
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	<b>Name of employee</b>		<b>Total no. of options granted</b>
	<b>Fiscal year 2020</b>		
	NA		NA
	<b>Fiscal year 2021</b>		
	NA		NA
	<b>Fiscal year 2022</b>		
	Sathish Kumar Nuggu (Resigned)		1,00,234
	<b>For the period from April 1, 2022 till December 10, 2022</b>		
	NA		NA
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	<b>Name of employee</b>		<b>Total no. of options granted</b>
	NA		NA
	NA		NA
Fully diluted EPS on a pre-Offer basis pursuant to the issue of equity shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per	₹ 6.68		

<b>Particulars</b>	<b>Details-Scheme D</b>
Share'	
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company	Nil
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	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  Risk free interest rate : 6.79% Expected life of share options (years) : 4.16 Expected volatility (weighted average volatility %) : 17.62% Expected dividend yields (%): Nil
Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in the SEBI ESOP Regulations in respect of options granted in the last three years	For Fiscal 2022: Nil For Fiscal 2021: Nil For Fiscal 2020: Nil As on December 10, 2022: Nil
Intention of the key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the initial public offer (aggregate number of Equity Shares intended to be sold by the holders of options), if any	No
Intention to sell Equity Shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by directors, senior managerial personnel and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than one per cent. of the issued capital (excluding outstanding warrants and conversions)	No

Pursuant to the KFin Employees Stock Option Plan 2020 - Scheme D, as on date of RHP, the Company has not issued any Equity Shares to any of its employees.

Pursuant to the Scheme E, the Company has granted 396,353 options to the employees of the Company of the granted options, an aggregate of 105,391 options have been vested of which Nil options have been exercised, 27,958 options have lapsed/forfeited/cancelled and 263,004 options are outstanding as on the date of this RHP.

<b>Particulars</b>	<b>Details-Scheme E</b>			
	<b>Fiscal 2020</b>	<b>Fiscal 2021</b>	<b>Fiscal 2022</b>	<b>For the period from April 1, 2022 till December 10,</b>
Options granted				

Particulars	Details-Scheme E			
				2022
	NA	NA	396,353	NA
	Cumulative options granted as on July 31, 2019: December 10, 2022			
No. of employees to whom options were granted	<b>Fiscal 2020</b>	<b>Fiscal 2021</b>	<b>Fiscal 2022</b>	<b>For the period from April 1, 2022 till December 10, 2022</b>
	NA	NA	11	NA
	Cumulative options granted as on July 31, 2019: December 10, 2022			
Options vested (including options that have been exercised)	1,05,391			
Options exercised	Nil			
Options forfeited/ lapsed/ cancelled	27,958			
Options outstanding (including vested and unvested options)	3,68,395			
Exercise price of options	Grant 1: NA Grant 2: NA Grant 3: NA Grant 4: NA Grant 5: ₹ 185.00/- Grant 6: ₹ 185.00/-			
Total no. of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options)	No options exercised from scheme E			
Variation in terms of options	NA			
Money realised by exercise of options	NA			
Total no. of options in force	368,395			
Employee wise details of options granted to				
(i) Key management personnel	<b>Name of Key Managerial Personnel</b>		<b>Total no. of options granted</b>	
	<b>Fiscal year 2020</b>			
	NA		NA	
	<b>Fiscal year 2021</b>			
	NA		NA	
	<b>Fiscal year 2022</b>			
	Venkata Satya Naga Sreekanth Nadella		90,000	
	Alpana Uttam Kundu		9,941	
	<b>For the period from April 1, 2022 till December 10, 2022</b>			
	NA		NA	
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	<b>Name of employee</b>		<b>Total no. of options granted</b>	
	<b>Fiscal year 2020</b>			
	NA		NA	
	<b>Fiscal year 2021</b>			
	NA		NA	
	<b>Fiscal year 2022</b>			
	Vishwanathan Mavila Nair		40,541	
	<b>For the period from April 1, 2022 till December 10, 2022</b>			
	NA		NA	
	NA		NA	
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	<b>Name of employee</b>		<b>Total no. of options granted</b>	
	NA		NA	
	NA		NA	
Fully diluted EPS on a pre-Offer basis pursuant to the issue of equity shares on	₹ 6.68			

Particulars	Details-Scheme E
exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share'	
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company	Nil
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	<p>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</p> <p>Risk free interest rate : 6.79%  Expected life of share options (years) : 4.16  Expected volatility (weighted average volatility %) : 17.62%  Expected dividend yields (%): Nil</p>
Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in the SEBI ESOP Regulations in respect of options granted in the last three years	<p>For Fiscal 2022: Nil  For Fiscal 2021: Nil  For Fiscal 2020: Nil  As on December 10, 2022: Nil</p>
Intention of the key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the initial public offer (aggregate number of Equity Shares intended to be sold by the holders of options), if any	No
Intention to sell Equity Shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by directors, senior managerial personnel and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than one per cent. of the issued capital (excluding outstanding warrants and conversions)	No

Pursuant to the KFin Employees Stock Option Plan 2020 - Scheme E, as on date of RHP, the Company has not issued any Equity Shares to any of its employees.

Pursuant to the Scheme F, the Company has granted 409,497 options to the employees of the Company of the granted options, an aggregate of Nil options have been vested of which Nil options have been exercised, 106,117 options have lapsed/forfeited/cancelled and 303,380 options are outstanding as on the date of this RHP.

Particulars	Details-Scheme F			
	Fiscal 2020	Fiscal 2021	Fiscal 2022	For the period from April 1, 2022 till December 10, 2022
Options granted	NA	NA	409,497	NA
	Cumulative options granted as on July 31, 2019: December 10, 2022			
No. of employees to whom options were granted	NA	NA	33	NA
	Cumulative options granted as on July 31, 2019: December 10, 2022			
Options vested (including options that have been exercised)	Nil			
Options exercised	Nil			
Options forfeited/ lapsed/ cancelled	1,06,117			
Options outstanding (including vested and unvested options)	303,380			
Exercise price of options	Grant 1: NA Grant 2: NA Grant 3: NA Grant 4: NA Grant 5: ₹ 185.00/- Grant 6: NA			
Total no. of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options)	No options exercised from scheme F			
Variation in terms of options	NA			
Money realised by exercise of options	NA			
Total no. of options in force	303,380			
Employee wise details of options granted to				
(i) Key management personnel	<b>Name of Key Managerial Personnel</b>		<b>Total no. of options granted</b>	
	<b>Fiscal year 2020</b>			
	NA			
	<b>Fiscal year 2021</b>			
	NA			
	<b>Fiscal year 2022</b>			
	Venkata Satya Naga Sreekanth Nadella		90,000	
	<b>For the period from April 1, 2022 till December 10, 2022</b>			
	NA		NA	
	(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	<b>Name of employee</b>		<b>Total no. of options granted</b>
<b>Fiscal year 2020</b>				
NA		NA		
<b>Fiscal year 2021</b>				
NA		NA		
<b>Fiscal year 2022</b>				
Vishwanathan Mavila Nair		40,541		
Venkata Giri Vonkayala		25,122		
Sathish Kumar Nuggu (Resigned)		75,177		
<b>For the period from April 1, 2022 till December 10, 2022</b>				

Particulars	Details-Scheme F	
	NA	NA
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	<b>Name of employee</b>	<b>Total no. of options granted</b>
	NA	NA
	NA	NA
Fully diluted EPS on a pre-Offer basis pursuant to the issue of equity shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share'	₹ 6.68	
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company	Nil	
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	<p>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</p> <p>Risk free interest rate : 6.79%</p> <p>Expected life of share options (years) : 4.16</p> <p>Expected volatility (weighted average volatility %) : 17.62%</p> <p>Expected dividend yields (%): Nil</p>	
Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in the SEBI ESOP Regulations in respect of options granted in the last three years	<p>For Fiscal 2022: Nil</p> <p>For Fiscal 2021: Nil</p> <p>For Fiscal 2020: Nil</p> <p>As on December 10, 2022: Nil</p>	
Intention of the key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the initial public offer (aggregate number of Equity Shares intended to be sold by the holders of options), if any	No	
Intention to sell Equity Shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by directors, senior managerial personnel and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than one per cent. of the issued capital (excluding	No	

Particulars	Details-Scheme F
outstanding warrants and conversions)	

Pursuant to the KFin Employees Stock Option Plan 2020 - Scheme F, as on date of RHP, the Company has not issued any Equity Shares to any of its employees.

Pursuant to the Scheme G, the Company has granted 198,340 options to the employees of the Company of the granted options, an aggregate of Nil options have been vested of which Nil options have been exercised, Nil options have lapsed/forfeited/cancelled and 198,340 options are outstanding as on the date of this RHP.

Particulars	Details-Scheme G			
Options granted	<b>Fiscal 2020</b>	<b>Fiscal 2021</b>	<b>Fiscal 2022</b>	<b>For the period from April 1, 2022 till December 10, 2022</b>
	NA	NA	198,340	NA
	Cumulative options granted as on March 24, 2022, December 10, 2022			
No. of employees to whom options were granted	<b>Fiscal 2020</b>	<b>Fiscal 2021</b>	<b>Fiscal 2022</b>	<b>For the period from April 1, 2022 till December 10, 2022</b>
	NA	NA	0	NA
	Cumulative options granted as on March 24, 2022, December 10, 2022			
Options vested [(including options that have been exercised)]	Nil			
Options exercised	Nil			
Options forfeited/ lapsed/ cancelled	Nil			
Options outstanding (including vested and unvested options)	198,340			
Exercise price of options	Grant 1: NA Grant 2: NA Grant 3: NA Grant 4: NA Grant 5: NA Grant 6: ₹ 185.00/-			
Total no. of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options)	No options exercised from scheme G			
Variation in terms of options	NA			
Money realised by exercise of options	NA			
Total no. of options in force	198,340			
Employee wise details of options granted to				
(i) Key management personnel	<b>Name of Key Managerial Personnel</b>		<b>Total no. of options granted</b>	
	<b>Fiscal year 2020</b>			
	NA		NA	
	<b>Fiscal year 2021</b>			
	NA		NA	
	<b>Fiscal year 2022</b>			
	NA		NA	
<b>For the period from April 1, 2022 till December 10, 2022</b>				
NA		NA		
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	<b>Name of employee</b>		<b>Total no. of options granted</b>	
	<b>Fiscal year 2020</b>			
	NA		NA	
	<b>Fiscal year 2021</b>			
	NA		NA	
<b>Fiscal year 2022</b>				



Particulars	Details-Scheme G	
	MS Chandrasekhar	88,557
	Ravi Seshadri	88,557
	AK Sridhar	21,226
	<b>For the period from April 1, 2022 till December 10, 2022</b>	
	NA	NA
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	<b>Name of employee</b>	<b>Total no. of options granted</b>
	NA	NA
	NA	NA
Fully diluted EPS on a pre-Offer basis pursuant to the issue of equity shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share'	₹ 6.68	
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company	Nil	
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	<p>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</p> <p>Risk free interest rate : 6.79%  Expected life of share options (years) : 4.16  Expected volatility (weighted average volatility %) : 17.62%  Expected dividend yields (%): Nil</p>	
Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in the SEBI ESOP Regulations in respect of options granted in the last three years	For Fiscal 2022: Nil For Fiscal 2021: Nil For Fiscal 2020: Nil As on December 10, 2022: Nil	
Intention of the key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the initial public offer (aggregate number of Equity Shares intended to be sold by the holders of options), if any	No	
Intention to sell Equity Shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by directors, senior managerial personnel and	No	

Particulars	Details-Scheme G
employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than one per cent. of the issued capital (excluding outstanding warrants and conversions)	

Pursuant to KFin Employees Stock Option Plan 2020 - Scheme G, the Company has not issued any Equity Shares to any of its employees of the Company.

The details of Equity Shares allotted by the Company pursuant to the ESOP Schemes are as set forth below:

S. No.	Date of allotment	No. of Equity Shares	Face value per Equity Share (Rs.)	Issue price per Equity Share (Rs.)	Nature of allotment	Nature consideration
1	January 18, 2022 <sup>(1)</sup>	50	10	70.36	Exercise of vested options	Cash-Bank transfer
2	January 18, 2022 <sup>(2)</sup>	50	10	91.98	Exercise of vested options	Cash-Bank transfer
3	January 18, 2022 <sup>(2)</sup>	50	10	91.98	Exercise of vested options	Cash-Bank transfer
4	January 18, 2022 <sup>(4)</sup>	50	10	91.98	Exercise of vested options	Cash-Bank transfer

(1) Allotment of 50 Equity Shares to Vishwanathan Mavila Nair.

(2) Allotment of 50 Equity Shares to Venkata Satya Naga Sreekanth Nadella.

(3) Allotment of 50 Equity Shares to Srinivas Peddada.

(4) Allotment of 50 Equity Shares to Vivek Narayan Mathur.

9. Except for the grant of options pursuant to KFin Employee Stock Option Plan 2020 and consequent allotment of the Equity Shares pursuant to the exercise of such options, our Company does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise.
10. There have been no financing arrangements whereby our Promoter, members of the Promoter Group, directors of our Promoter and / or our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Red Herring Prospectus.
11. All Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus.
12. Except for Kotak Mahindra Capital Company Limited, one of the BRLMs, is related to our Shareholder, namely, Kotak Mahindra Bank Limited, as on the date of this Red Herring Prospectus, the BRLMs and their respective associates, as defined under the SEBI Merchant Bankers Regulations do not hold any Equity Shares. However, on account of this relationship, Kotak Mahindra Capital Company Limited does not qualify as an associate of our Company in terms of Regulation 21(A)(1) of the SEBI (Merchant Bankers) Regulations, 1992, as amended, read with Regulation 23(3) of the SEBI ICDR Regulations. The BRLM(s) and their associates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
13. Our Company, the Promoter (also the Promoter Selling Shareholder), our Directors and the BRLMs have no existing buyback arrangements and or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.

14. Except for options granted under KFin ESOP Plan 2020, there are no warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares as on the date of this Red Herring Prospectus.
15. The details of the price at which Equity Shares were acquired in the three years preceding the date of this Red Herring Prospectus, by each of the Promoter, members of the Promoter group, Selling Shareholder and shareholders entitled with right to nominate Directors or any other rights, are as follows:

(i) Equity Shares

S. No.	Name of the acquirer/shareholder	Date of acquisition of Equity Shares	Number of Equity Shares acquired	Acquisition price per Equity Share
<b>Promoter and Promoter Selling Shareholder<sup>#</sup></b>				
1.	General Atlantic Singapore Fund Pte. Ltd.	-	-	-
<b>Promoter Group<sup>#</sup></b>				
1.	General Atlantic Singapore KFT Pte Ltd	July 28, 2021	1,608,503	120.30
<b>Shareholders with right to nominate directors or any other rights<sup>*</sup></b>				
1.	Kotak Mahindra Bank Limited	November 10, 2021	16,725,100	185.35

<sup>\*</sup> In accordance with Article 4.2.1 of Part A of the Articles of Association of the Company,

“(a) 1 (one) Director, in the event the shareholding is lower of: (i) 12,543,825 (one crore twenty-five lakhs forty-three thousand eight hundred and twenty-five) Equity Shares (as appropriately adjusted for any Corporate Event(s)); and (ii) 7.5% (seven point five percent) of the Share Capital but is less than 26% (twenty six percent) of the Share Capital;

(b) 2 (two) Directors, in the event such Identified Shareholder (along with its respective Permitted Transferees) holds at least 26% (twenty six percent) but less than 50% (fifty percent) of the Share Capital; and

(c) 3 (three) Directors, in the event such Identified Shareholder (along with its respective Permitted Transferees) holds at least 50% (fifty percent) of the Share Capital.”

<sup>#</sup> Also have right to nominate Directors in accordance with Article 4.2.1 of Part A of the Articles of Association of the Company.

(ii) Preference Shares

S. No.	Name of the acquirer/shareholder	Date of acquisition of Equity Shares	Number of Equity Shares acquired	Acquisition price per Equity Share
<b>Promoter and Promoter Selling Shareholder</b>				
	NIL	-	-	-
<b>Promoter Group</b>				
	NIL	-	-	-
<b>Shareholders with right to nominate directors or any other rights</b>				
	NIL	-	-	-

16. In terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process, in compliance with Regulation 6(2) of the SEBI ICDR Regulations, where not less than 75% of the Offer will be Allotted on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (the “QIB Portion”), provided that our Company and the Promoter Selling Shareholder in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis (the “Anchor Investor Portion”), of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which Equity Shares are allocated to Anchor Investors. Further, 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Offer shall be available for allocation basis to Non-Institutional Investors out of which (a) one third of such portion shall be reserved for Non-Institutional Bidders with Bid size exceeding ₹ 200,000 and up to ₹ 1,000,000; and (b) two third of such portion shall be reserved for Non-Institutional Bidders with Bid size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of such sub-categories

may be allocated to Non-Institutional Bidders in the other sub-category of Non-Institutional Bidders and not more than 10% of the Offer shall be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. For further details, see “*Offer Procedure*” beginning on page 464.

17. Our Company shall ensure that any transaction in the Equity Shares by the Promoter and the members of the Promoter Group during the period between the date of this Red Herring Prospectus and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transaction.
18. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
19. Our Promoter and the members of our Promoter Group will not participate in the Offer, except to the extent of the sale of Offered Shares by way of Offer for Sale.
20. No person connected with the Offer, including, but not limited to, the Book Running Lead Managers, the members of the Syndicate, our Company, our Directors, our Promoter, members of our Promoter Group or Group Companies, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.
21. Except for the issue of any Equity Shares pursuant to KFin ESOP Plan 2020, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges, or all application monies have been refunded, as the case may be.
22. Our Company has not undertaken any public issue of securities or any rights issue of any kind or class of securities since its incorporation.

## OBJECTS OF THE OFFER

The objects of the Offer are (i) to carry out the Offer for Sale of up to [•] Equity Shares aggregating to ₹ 15,000 million by the Promoter Selling Shareholder; and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges. Our Company will not receive any proceeds from the Offer and all such proceeds will go to the Promoter Selling Shareholder after deducting the Offer expenses and relevant taxes thereon.

Further, our Company expects that listing of the Equity Shares will enhance our visibility and brand image and provide liquidity to our Shareholders and will also provide a public market for the Equity Shares in India.

### Utilization of the Offer Proceeds by Promoter Selling Shareholder

Our Company will not receive any proceeds from the Offer (the “Offer Proceeds”) and all the Offer Proceeds after deducting the Offer expenses and relevant taxes thereon, will be received by the Promoter Selling Shareholder, in proportion to the Offered Shares sold by the Promoter Selling Shareholder as part of the Offer. For details of Offered Shares by Promoter Selling Shareholder, see “The Offer” and “Other Regulatory and Statutory Disclosures” beginning on pages 79 and 437, respectively.

### Offer expenses

The Offer related expenses primarily include fees payable to the BRLMs and legal counsels, auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs’ fees, Sponsor Banks’ fees, Registrar’s fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than (a) listing fees, audit fees of the statutory auditors (other than to the extent attributable to the IPO) and expenses in relation to product and corporate advertisements of the Company consistent with the past practices of the Company (other than expenses in relation to the marketing and advertising undertaken specifically for the Offer), each of which will be borne by the Company, and (b) fees and expenses in relation to the legal counsel to the Promoter Selling Shareholder which shall be borne by the Promoter Selling Shareholder, all costs, charges, fees and expenses associated with and incurred in connection with the Offer shall be borne by the Promoter Selling Shareholder in proportion to the number of Equity Shares sold by the Promoter Selling Shareholder through the Offer or as may be mutually agreed between the Company and the Promoter Selling Shareholder in accordance with the Offer Agreement.

The estimated Offer related expenses are as under:

Activity	Estimated expenses <sup>(1)</sup> (₹ million)	As a % of the total estimated Offer expenses <sup>(1)</sup>	As a % of the total Offer size <sup>(1)</sup>
BRLMs’ fees and commissions (including underwriting commission, brokerage and selling commission)	[•]	[•]	[•]
Selling commission/processing fee for SCSBs and Bankers to the Offer and fee payable to the Sponsor Banks for Bids made by UPI Bidders using UPI <sup>(2)(3)</sup>	[•]	[•]	[•]
Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs <sup>(3)</sup>	[•]	[•]	[•]
Fees payable to the Registrar to the Offer	[•]	[•]	[•]
Fees payable to the other advisors to the Offer			
(1) Fee payable to Independent Chartered Accountant, M H A & Associates, LLP, to verify the details and provide certifications with respect to the information included the DRHP, RHP and Prospectus	[•]	[•]	[•]
(2) Fee payable to the Statutory Auditors of the Company, B S R & Associates, LLP	[•]	[•]	[•]
Others			

Activity	Estimated expenses <sup>(1)</sup> (₹ million)	As a % of the total estimated Offer expenses <sup>(1)</sup>	As a % of the total Offer size <sup>(1)</sup>
- Listing fees, SEBI filing fees, upload fees, the Stock Exchanges processing fees, book building software fees and other regulatory expenses*	[●]	[●]	[●]
- Printing and stationery	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Fee payable to legal counsels	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
<b>Total estimated Offer expenses</b>	[●]	[●]	[●]

\* Inclusive of GST payable in accordance with SEBI Circular No. SEBI/HO/GSD/TAD/CIR/P/2022/0097 dated July 18, 2022.

- Amounts will be finalised and incorporated in the Prospectus on determination of Offer Price
- Selling commission payable to the SCSBs on the portion for RIBs and Non-Institutional Bidders which are directly procured and uploaded by the SCSBs, would be as follows:

Portion for RIBs*	0.30% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders*	0.15% of the Amount Allotted (plus applicable taxes)

\* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid book of BSE or NSE.

No uploading / processing fees shall be payable by the Company and the Promoter Selling Shareholder to the SCSBs on the Bid cum Application Forms directly procured by them.

Processing fees payable to the SCSBs of ₹ 10 per valid application (plus applicable taxes) for processing the Bid cum Application Form for RIBs and Non-Institutional Bidders (excluding UPI Bids) which are procured by the members of the Syndicate/sub- Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking.

Processing fees payable to the SCSBs for capturing Syndicate member/ Sub syndicate(Broker)/ sub-broker code on the ASBA form for Non- Institutional Bidders and Qualified Institutional bidders with bids above ₹5,00,000 would be ₹10 per valid application (plus applicable taxes).

- Brokerage, selling commission and processing/uploading charges on the portion for UPI Bidders (using the UPI mechanism) RIBs and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their sub-Syndicate Members) would be as follows:

Portion for Retail Individual Investors*	0.30% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Investors*	0.15% of the Amount Allotted (plus applicable taxes)

\* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

The Selling commission payable to the Syndicate / sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / sub-Syndicate Member.

Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by UPI Bidders using 3-in-1 accounts/Syndicate ASBA mechanism and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts/Syndicate ASBA mechanism, would be as follows: ₹ 10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Selling commission/ uploading charges payable to the Registered Brokers on the portion for RIBs and Non Institutional

Bidders which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

Portion for Retail Individual Investors*	₹ 10 per valid application (plus applicable taxes)
Portion for Non-Institutional Investors*	₹ 10 per valid application (plus applicable taxes)

\* Based on valid applications

Uploading charges/ Processing fees for applications made by UPI Bidders using the UPI Mechanism would be as under:

Members of the Syndicate / RTAs / CDPs / Registered Brokers	₹ 15 per valid application (plus applicable taxes)
Sponsor Bank	Rs 7.50 (plus applicable taxes) for Kotak Mahindra Bank Limited Rs. 6.50 (plus applicable taxes) for Axis Bank Limited  Processing fees for applications made by UPI Bidders using the UPI mechanism for each valid Bid cum application form. The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement.

The total uploading charges / processing fees payable to Members of the Syndicate, RTAs, CDPs, Registered Brokers will be subject to a maximum cap of ₹10.0 million (plus applicable taxes). In case the total uploading charges/processing fees payable exceeds ₹10.0 million, then the amount payable to Members of the Syndicate, RTAs, CDPs, Registered Brokers would be proportionately distributed based on the number of valid applications such that the total uploading charges / processing fees payable does not exceed ₹10.0 million.

The processing fee for applications made by UPI Bidders using the UPI mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 read with SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

### Monitoring of Utilization of funds

As the Offer is by way of an offer for sale of Equity Shares, our Company will not receive any proceeds from the Offer. Accordingly, no monitoring agency is required to be appointed for the Offer.

### Other Confirmations

Except to the extent of any proceeds received by the Promoter Selling Shareholder pursuant to the Offer for Sale, (a) there is no proposal whereby the Promoter, Directors, KMPs, members of the Promoter Group or Group Companies will receive any portion of the Offer Proceeds; and (b) there are no material existing or anticipated transactions in relation to utilization of the Offer Proceeds with our Promoter, Directors, KMPs or Promoter Group.

## BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Bidders should read the below mentioned information along with “*Our Business*”, “*Risk Factors*”, “*Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 220, 30, 302 and 389, respectively, to have an informed view before making an investment decision.

### Qualitative Factors

We believe that some of the qualitative factors which form the basis for computing the Offer Price are as follows:

1. Scaled platform with strong track record of growth and market leadership;
2. Our diverse multi-asset class platform is well-positioned to benefit from strong growth across large markets in India and South East Asia;
3. Unique “platform-as-a-service” business model providing comprehensive end-to-end solutions enabled by technology solutions developed in-house;
4. Deeply entrenched, long-standing client relationships with a diversified and expanding client base;
5. Asset-light business model with recurring revenue model, high operating leverage, profitability and cash generation; and
6. Experienced management team, backed by a strong board and marquee shareholders, along with strong culture of compliance.

For further details, see “*Our Business – Our Strengths*” on page 225.

### Quantitative Factors

Certain information presented below, relating to our Company, is derived from the Restated Consolidated Financial Information. For further details, see “*Financial Statements*” on page 302.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

#### 1. Basic and Diluted Earnings Per Share (“EPS”), as adjusted for changes in capital:

Fiscal/Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
FY2022	9.44	9.36	3
FY2021	(4.28)	(4.28)	2
FY2020	0.28	0.28	1
<b>Weighted Average</b>	<b>3.34</b>	<b>3.30</b>	-
For the six months period ended September 30, 2022*	5.09	5.05	-
For the six months period ended September 30, 2021*	4.49	4.49	-

\* Not annualised

Notes:

- i. EPS (Basic and Diluted) has been calculated in accordance with the Indian Accounting Standard 33 – “Earnings per share”. The face value of equity shares of the Company is ₹ 10.
- ii. Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.
- iii. Basic earnings per share is calculated as Restated profit/(loss) attributable to equity shareholders of the company divided by weighted average number of equity shares outstanding during the year/ period.
- iv. Diluted earnings per share is calculated as Restated profit/(loss) attributable to equity shareholders of the company divided by weighted average number of equity shares outstanding during the year / period-diluted.



**2. Price/Earning (“P/E”) ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:**

Particulars	P/E at the lower end of Price Band (no. of times)	P/E at the higher end of Price band (no. of times)
Based on basic EPS as per the Restated Consolidated Financial Information for the financial year ended March 31, 2022	[●]	[●]
Based on diluted EPS as per the Restated Consolidated Financial Information for the financial year ended March 31, 2022	[●]	[●]

**3. Industry P/E ratio**

	P/E Ratio
Highest	39.37
Lowest	39.37
Industry Composite	39.37

Notes:

(1) The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see “– Comparison of Accounting Ratios with Listed Industry Peers” on page 132.

**4. Return on Net Worth (“RoNW”)**

Fiscal/ Period ended	RoNW (%)	Weight
March 31, 2022	29.99	3
March 31, 2021	(17.07)	2
March 31, 2020	0.97	1
<b>Weighted Average</b>	<b>9.47</b>	-
For the six months period ended September 30, 2022*	12.36	-
For the six months period ended September 30, 2021*	22.00	-

\* Not annualised

Note: RoNW is calculated as net profit after taxation and minority interest attributable to the equity shareholders of the Company divided by average shareholders’ funds for that year/ period. Shareholders’ funds = Share capital + reserves & surplus – revaluation reserves.

**5. Net Asset Value per Equity Share (Face value of ₹ 10)**

Fiscal/Period ended	NAV (₹)
As on March 31, 2022	38.45
For the six months period ended September 30, 2022	43.96

Notes:

- i. After the Offer as per the Restated Consolidated Financial Information:
  - a. At the Floor Price: These details shall be provided once the floor price is determined
  - b. At the Cap Price: These details shall be provided once the cap price is determined
  - c. At the Issue Price: These details shall be provided once the Offer price is determined

Note: Net Asset Value per equity share represents net worth as at the end of the financial year/ period, as restated, divided by the number of Equity Shares outstanding at the end of the year/ period.

**6. Key financial and operational metrics (“KPIs”)**

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of various verticals in comparison to our peers. The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational KPIs, to make an assessment of our Company’s performance in various business verticals and make an informed decision.

The KPIs included herein below have been approved by the Audit Committee pursuant to its circular resolution dated December 1, 2022, and the members of the Audit Committee have confirmed that the verified and audited details of all the KPIs pertaining to the Company that have been disclosed to earlier investors at any point of time during the three years period prior to the date of this Red Herring Prospectus have been disclosed in this section. Additionally, the KPIs have been certified by M H A & Associates LLP, Chartered Accountants, by their certificate dated December 10, 2022. The KPIs of our Company have been disclosed in, “Risk Factors – A decline in the growth, value and composition of AAUM of the mutual funds managed by our clients may adversely impact the average revenue earned by us from mutual funds and may have a significant adverse impact on future revenue and profit. The average revenue earned based on AAUM from a mutual fund clients as a percentage of our revenue from operations for Fiscals 2020, 2021 and 2022 was 60.79%”, “Risk Factors - Our past growth rates may not be indicative of our future growth, and if we are unable to adapt to evolving market trends, manage our growth or execute our strategies effectively, our business, financial condition and results of operations may be adversely affected”, “Risk Factors - Our profit / loss for the year / revenue from operations (in %) (PAT margin) increased from Fiscal 2021 to Fiscal 2022 on account of certain non-recurring events and it is not indicative of growth of profits in the future.”, “Our Business – Overview”, “Our Business – Our Strengths”, “Our Business – Our Strategies”, “Our Business – Products, Services and Operations”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations - PAT Margin” beginning on pages 33, 37, 52, 220, 225, 233, 237, 389 and 411. We have described and defined them, where applicable, in “Definitions and Abbreviations” section on pages 4 to 16.

Our Company confirms that it shall continue to disclose all the KPIs included in this section “Basis for Offer Price”, on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchanges or such period as may be required under the SEBI ICDR Regulations.

## I. Details of our revenue from operations and revenue from VAS and its contribution

For details of revenue from operations and revenue from VAS and its contribution, see “Our Business- Our Strengths- Scaled platform with strong track record of growth and market leadership” and “Our Business – Our Strengths - Unique “platform-as-a-service” business model providing comprehensive end-to-end solutions enabled by technology solutions developed in-house.” beginning on page 225 and 230, respectively.

### Explanation for the KPI metrics

- These metrics are used by our management for assessing revenue profile across the business verticals of our Company during a particular period and to assess the revenue split of the core business and VAS and growth of respective revenue streams during the period.

## II. New client addition

Across our businesses, we have had growth due to addition of new clients within established businesses like domestic mutual fund solutions and issuer solutions as well as newer businesses like alternatives and wealth management solutions and pension services. Specifically, in domestic mutual funds, as on September 30, 2022, we have added eight AMCs as clients since Fiscal 2020 (including two AMCs yet to start operations and two AMCs acquired as clients through a business transfer agreement with Sundaram BNP Paribas Fund Services). We have added the following new clients across our businesses in the last three Fiscals and six months ended September 30, 2021 and September 30, 2022:

Business	New Client Additions				
	Fiscal 2020	Fiscal 2021	Fiscal 2022	Six months period ended September 30, 2021	Six months period ended September 30, 2022
<b>Investor solutions</b>					
Domestic mutual fund solutions	4	2	2	0	0

Business	New Client Additions				
	Fiscal 2020	Fiscal 2021	Fiscal 2022	Six months period ended September 30, 2021	Six months period ended September 30, 2022
International investor solutions	3	1	6	1	1
Pension services	151,825	151,089	386,424	62,134	94,362
Alternatives and wealth management solutions	40	152	28	0	33
<b>Issuer solutions</b>	863	365	357	326	281
<b>Global business services</b>	-	-	-	-	-

In addition, we recently acquired 23 clients and added fund accounting and reconciliation products to our platform through our acquisition of Hexagram in Fiscal 2022. The fund accounting and reconciliation products were added to our international and other investor solutions business.

For details, see “*Our Business- Our Strengths- Scaled platform with strong track record of growth and market leadership*” on page 225.

*Explanation for the KPI metrics*

These metrics helps our management in assessing the effectiveness of business development activities and strength of product/services offerings across the business verticals and geographies of our Company. It also helps to measure the market share by number of clients of the Company.

**III. Rate of net revenue retention**

We have experienced significant growth due to an increase in business with existing clients. The increase in business with clients is due to growth in our client’s business as well as various cross-sell and up-sell activities undertaken by us such as technology solutions towards website development, mobile application developments, infra and hosting facilities and platform solutions towards investor onboarding and e-voting platforms. As a result, our net revenue retention in Fiscal 2020, Fiscal 2021, Fiscal 2022, six months period ended September 30,2021 and six months period ended September 30, 2022 for (i) domestic mutual funds solutions is 100.82%, 113.18%, 141.50%, 147.37% and 112.62%, respectively, and (ii) issuer solutions business is 94.59%,119.21%, 115.81%,115.29% and 123.81%, respectively.

*Explanation for the key financial and operational metrics*

This metric is primarily used by our management to assess the revenue retention rates of existing customers and contribution to new services during the period.

**IV. Gross margin and other KPIs**

For details of (i) gross margin, (ii) EBITDA for operations (calculated as sum of restated profit / (loss) for the period, depreciation and amortization, total tax expenses, finance costs less other income less Ind AS 116 adjustments / revenue from operations), (iii) asset turnover ratio, (iv) free cash flow, (v) EBITDA for operations (calculated as sum of restated profit / (loss) for the period, depreciation and amortization, total tax expenses, finance costs less other income less Ind AS 116 adjustments) and (vi) other KPIs,, see “*Other Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Overview*” beginning on page 382 and 389.

*Explanation for the KPI metrics*

These metrics are used by our management for assessing financial performance of our Company during a particular period

**V. Other relevant KPIs for each of our business verticals**

For details of our KPIs in relation to our investor solutions, our issuer solutions and our global business services for the last three Fiscals and six months period ended September 30, 2021 and September 30, 2022, see “Our Business – Description of our Business – Products, Services and Operations” beginning on page 237.

*Explanation for the key financial and operational metrics*

These KPIs of respective business vertical disclosed above have been used historically by our Company to understand and analyze the business performance of each business vertical, which in result, help us in analyzing the growth of various verticals in comparison to our peers.

**7. Comparison with Listed Industry Peers**

In India, Computer Age Management Services Limited (“CAMS”) and KFinTech are the two qualified mutual fund RTAs Apart from three business verticals, i.e., Domestic MF, AIF and Wealth and NPS that are common between our Company and CAMS, our Company also operates in International Investor Solutions, Issuer Solutions and Global Business Services where CAMS is not present. Further, CAMS also has other business verticals such as Insurance Repository, Payments, Account Aggregator where the Company is not present. For Fiscal 2022, CAMS derived approximately 90% of its revenue from Domestic MF business vertical. (Source: CRISIL Report).

**(a) Comparison of Accounting Ratios with Listed Industry Peers**

Name of the company	Total Revenue (₹ in million)	Face Value per Equity Share (₹)	Closing price on November 30, 2022 (₹)	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV (₹ per equity share)
KFin Technologies Limited	6,395.07	10	-	NA	9.44	9.36	29.99	38.45
<b>Listed Peers</b>								
Computer Age Management Services Limited	9,096.68	10	2,299.45	39.37	58.73	58.41	49.32	132.43

**Notes:**

1. Source for the information of the industry peer included above is its annual report for the year ended March 31, 2022. All the financial information for listed industry peer mentioned above is on a consolidated basis.
2. Source for the information of the Company included above is the Restated Consolidated Financial Information for the year ended March 31, 2022.
3. The computation of P/E ratio is based on closing market price of equity shares on BSE on November 30, 2022 divided by the diluted EPS sourced from the annual report of the peer group company for the year ended March 31, 2022.
4. RoNW is calculated as net profit after taxation and minority interest attributable to the equity shareholders of the Company divided by average shareholders’ funds as on March 31, 2022.
5. Net Asset Value is computed as closing net worth divided by the closing outstanding number of Equity Shares as on March 31, 2022.
6. Mutual Fund business accounts for 90.3% of overall Computer Age Management Services Limited revenue whereas it is 66.0% for the Company. Company’s non-domestic mutual fund business includes global fund services (International investor solutions for international markets), CRA for National Pension System, issuer solutions and global business services (outsourced transaction processing).

**(b) Listed Industry Peers comparable to our Company’s Business Verticals**

The business verticals of our Company, and our industry peers for each of these business verticals are as follows:

Revenue mix of our Company by business verticals	September 30, 2022 (₹ in million)	% share of total revenue from operations	Listed Peer in India
<b>Investor Solutions</b>			
Domestic mutual fund	2,362.78	67.75	CAMS

Revenue mix of our Company by business verticals	September 30, 2022 (₹ in million)	% share of total revenue from operations	Listed Peer in India
International and other investor solutions	301.79	8.65	The international and other investor solutions business of the Company comprise of international business, AIF and wealth and NPS verticals. There are no listed peers for international business vertical. Additionally, CAMS is the listed peer for AIF and wealth, and NPS business verticals (CAMS started NPS operations in March, 2022).
Issuer solutions	466.48	13.38	No listed peer
Global business services	227.27	6.52	No listed peer
<b>Total revenue from operations</b>	<b>3,487.68</b>	<b>100.00</b>	

\* Revenue from operations includes revenue from investor solutions, issuer solutions, global business services and other operating revenue

Notes:

1. Source for the information of the Company included above has been derived from the underlying accounting records for the Restated Consolidated Financial Information for the six months period ended September 30, 2022.
2. Source for the peer information is the CRISIL Report

**(c) Comparison of our KPIs with Listed Industry Peers**

The following table sets forth the details of the business vertical-wise operational KPIs for our Company along with a comparison with such KPIs for Computer Age Management Services Limited for the period indicated below:

	As of and for the period / year ended				As of and for the period / year ended			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
	<b>KFin Technologies Limited</b>				<b>Computer Age Management Services Limited</b>			
	<i>Investor Solutions – Domestic mutual fund solutions</i>							
AAUM serviced (in ₹ bn) *for the quarter ended September,2022	12,294.7	11,970.29	9,105.12	7,233.34	26,764.3 <sup>1</sup>	26,411.50 <sup>1</sup>	22,999.30 <sup>1</sup>	19,811.40 <sup>1</sup>
Equity AAUM serviced (in ₹ bn) *for the quarter ended September,2022	6,833.15	6,447.08	4,470.80	3,433.07	12,585.87 <sup>1</sup>	10,971.70 <sup>1</sup>	7,667.90 <sup>1</sup>	7,857.60 <sup>1</sup>
Equity AAUM share / Mix	56%	54%	49%	47%	47.0% <sup>1</sup>	-	-	-
SIP Book (in ₹ bn) for the quarter ended September 30, 2022	1,976.24	1,772.58	1,207.35	772.78	-	-	-	-
AAUM Market share (%) for the quarter ended September 2022	31.0%	31.0%	28.0%	27.0%	69.0% <sup>1</sup>	69.0% <sup>1</sup>	72.0% <sup>1</sup>	73.0% <sup>1</sup>
Equity AAUM Market share (%) for the quarter ended September 2022	35.0%	35.0%	33.7%	30.7%	65.0% <sup>1</sup>	65.0% <sup>1</sup>	67.0% <sup>1</sup>	71.0% <sup>1</sup>
Number of operating clients	24	24	24	24	17 <sup>1</sup>	17 <sup>1</sup>	16 <sup>1</sup>	16 <sup>1</sup>
Monthly Equity AAUM (in ₹ billion) for the last month of reporting period	7065.80	6,356.16	4,596.23	3,055.56	12,934.77 <sup>1</sup>	-	8,978.06 <sup>1</sup>	-
Monthly SIP inflows (in ₹ million) for the last month of reporting period	54,465	53,401	37,617	33,710	75,295 <sup>1</sup>	-	54,200 <sup>1</sup>	-
Market share by number of operating clients (in %)	59%	59%	59%	59%	41% <sup>1</sup>	41% <sup>1</sup>	39% <sup>1</sup>	39% <sup>1</sup>
Number of transactions handled (in million) for the half year ended September 2022	152.09	275.14	179.68	160.46	224.6 <sup>2</sup>	415.9 <sup>2</sup>	323.4 <sup>2</sup>	328.44 <sup>2</sup>
Number of systematic transactions handled (in million) for the half year ended September 2022	116.90	194.79	126.94	107.76	183.7 <sup>2</sup>	312.3 <sup>2</sup>	237.1 <sup>2</sup>	237.51 <sup>2</sup>
Number of live folios (in million) as on September 2022	65.18	60.71	41.64	36.17	53.9 <sup>2</sup>	51.6 <sup>2</sup>	40.4 <sup>2</sup>	39.35 <sup>2</sup>
Number of total investor folios (in	112.93	107.84	89.18	78.43	-	-	-	70.88 <sup>2</sup>

	As of and for the period / year ended				As of and for the period / year ended			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
	<b>KFin Technologies Limited</b>				<b>Computer Age Management Services Limited</b>			
million) as on September 2022								
Number of PAN accounts handled (in million) as on September 2022	23.93	22.03	13.78	11.86	24.2 <sup>2</sup>	22.9 <sup>2</sup>	16.6 <sup>2</sup>	15.86 <sup>2</sup>
<u><i>International investor solutions</i></u>								
AAUM serviced (in ₹ bn) as on September,2022	523.91	634.34	614.31	457.78	N.A.	N.A.	N.A.	N.A.
No. of operating clients	23	23	19	20	N.A.	N.A.	N.A.	N.A.
Transactions handled (in million) for the half year ended September 2022	2.24	3.23	3.10	0.94	N.A.	N.A.	N.A.	N.A.
<u><i>Pension services</i></u>								
AAUM managed (in ₹ bn) as on September'2022	252.95	211.16	30.51	8.23	-	-	N.A.	N.A.
No. of subscribers as on September'2022	8,41,938	7,47,576	361,152	210,063	-	-	N.A.	N.A.
Number of corporate clients	1,756	1,396	1,028	709	-	-	N.A.	N.A.
Number of transactions handled (in million)	2.72	3.53	1.78	0.61	-	-	N.A.	N.A.
<u><i>Alternative &amp; wealth management solutions</i></u>								
AAUM managed (in ₹ bn) as on September'2022	620.25	504.68	358.10	311.34	-	-	176.46 <sup>2</sup>	160.27 <sup>2</sup>
Number of managers as on September,2022	201	178	135	49	-	-	-	-
No. of funds as on September,2022	301	268	240	88	-	-	-	-
<u><i>Issuer solutions</i></u>								
Number of clients as on September,2022	5,051	4,770	4,413	4,048	N.A.	N.A.	N.A.	N.A.
Number of folios (in million) as on September,2022	107.69	102.60	75.21	58.27	N.A.	N.A.	N.A.	N.A.
Number of transactions (in million) for the half year ended September,2022	1.74	2.95	2.04	1.88	N.A.	N.A.	N.A.	N.A.
Number of IPOs handled for the half year ended September,2022	4	22	15	5	N.A.	N.A.	N.A.	N.A.
IPO market share by issue size handled during half year ending September,2022	64%	39%	60%	18%	N.A.	N.A.	N.A.	N.A.

	As of and for the period / year ended				As of and for the period / year ended			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
	<b>KFin Technologies Limited</b>				<b>Computer Age Management Services Limited</b>			
Market share in NSE 500 companies by market capitalization <sup>1</sup>	45.93%	45.24%	44.35%	47.77%	N.A.	N.A.	N.A.	N.A.
<b>Global business services</b>								
Number of billable FTEs	319	331	339	323	N.A.	N.A.	N.A.	N.A.
Number of transactions handled (in million)	35.21	46.87	39.01	21.71	N.A.	N.A.	N.A.	N.A.

Note: N.A. represents Not Applicable and '-' represents Not Available

<sup>1</sup> Source: CRISIL Report

<sup>2</sup> This is not Company data and is based on publicly available information. This data has not been independently verified by the Company

**(d) Comparison of gross margin and other KPIs with Listed Industry Peers**

The following table sets forth the (i) gross margin, (ii) EBITDA for operations (calculated as sum of restated profit / (loss) for the period, depreciation and amortization, total tax expenses, finance costs less other income less Ind AS 116 adjustments / revenue from operations), (iii) asset turnover ratio, (iv) free cash flow, (v) EBITDA for operations (calculated as sum of restated profit / (loss) for the period, depreciation and amortization, total tax expenses, finance costs less other income less Ind AS 116 adjustments) and (vi) other KPIs for the period indicated below:

Parameter	As of and for the period / year ended				As of and for the period / year ended			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
	<b>KFin Technologies Limited</b>				<b>Computer Age Management Services Limited<sup>(1)</sup></b>			
Profit / (loss) for the period (in million)	853.45	1,485.49	(645.07)	45.23	1,367	2869.469	2052.913	1718.92
Profit Margin <sup>(2)</sup> (in %)	24.47%	23.23%	(13.41)%	1.01%	-	31%	27.90%	23.80%
Gross Margin <sup>(3)</sup> (in %)	60.19%	61.46%	59.20%	51.44%	-	-	-	-
<b>Operating EBITDA<sup>(4)</sup></b>	36.03%	42.74%	41.09%	32.82%	-	-	-	-
Asset turnover ratio (x) <sup>(5)</sup>	2.57	3.20	3.01	3.47	-	-	-	-
Free cash flows (in ₹ million)	335.79	1,758.73	1,653.44	891.67	-	-	-	-
Free cash flow conversion from Operating EBITDA <sup>(5)</sup> (in %) <sup>(6)</sup>	26.72%	64.34%	83.64%	60.40%	-	-	-	-
Period-on-period revenue growth (in %)	19.89%	32.91%	6.95%	-*	12%	26.10%	2%	1.30%
Capital expenditure as a % of revenue from operations	8.94%	10.65%	6.17%	1.66%	-	-	-	-



Parameter	As of and for the period / year ended				As of and for the period / year ended			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
	KFin Technologies Limited				Computer Age Management Services Limited <sup>(1)</sup>			
Operating EBITDA to EBIT excluding goodwill and right of use asset amortization	87.05%	90.64%	89.89%	88.70%	-	-	-	-

*\*The information has not been included as the corresponding comparative period is not included in this Red Herring Prospectus*

*Note: '-' represents Not Available*

*(1) This is not Company data and is based on publicly available information. This data has not been independently verified by the Company*

*(2) Profit / loss for the year or period / revenue from operations*

*(3) Revenue from operations less direct operating expenses / revenue from operations*

*(4) EBITDA for operations (calculated as sum of profit / (loss) for the period/year, depreciation and amortization expense, tax expense, finance costs less other income less sum of unwinding of interest on lease liabilities and depreciation on right-of-use assets (Ind AS 116 adjustments) to EBIT excluding goodwill and right of use asset amortization*

*(5) On an annualized basis*

*(6) Free cash flow conversion from sum of profit / (loss) for the period/year, depreciation and amortization expense, tax expense, finance costs less other income less sum of unwinding of interest on lease liabilities and depreciation on right-of-use assets (Ind AS 116 adjustments)*

*\*The information has not been included as the corresponding comparative period is not included in this Red Herring Prospectus*

## 8. Disclosures in relation to valuation of our Company

### (a) Valuation of our Company based on primary/ new issue of Equity Shares

The details of the Equity Shares or convertible securities, excluding shares issued under ESOP/ESOS and issuance of bonus shares, during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Primary Issuance”) are as follows:

S. No.	Name of the allottees/ acquirer	Date of allotment of Equity Shares	Number of Equity Shares acquired	% of fully diluted issued share capital	Acquisition price per Equity Share (in ₹)
1.	Kotak Mahindra Bank Limited	November 10, 2021	16,725,100	9.86	185.35

\*As certified by M H A & Associates LLP, Chartered Accountants, by their certificate dated December 10, 2022.

### (b) Valuation of our Company based on secondary sale/acquisition of Equity Shares

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities including secondary sale / acquisitions, where the Promoter, members of the Promoter Group, Selling Shareholders, or Shareholder(s) having the right to nominate Director(s) on our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Secondary Transactions”).

### (c) Weighted average cost of acquisition, floor price and cap price

Past transactions	Weighted average cost of acquisition (in ₹)	Floor price in ₹ [●]#	Cap price in ₹ [●]#
WACA* of Primary Issuance	185.35	[●] times	[●] times
WACA* of Secondary Transactions	N.A.	N.A.	N.A.

\*WACA- Weighted average cost of acquisition

\*As certified by M H A & Associates LLP, Chartered Accountants, by their certificate dated December 10, 2022

#To be included on finalisation of Price Band

## 9. Disclosure of all the KPIs pertaining to the Company that have been disclosed to its investors at any point of time during the three years preceding to the date of this Red Herring Prospectus

KMBL acquired approximately 10% stake in our Company in November, 2021. A comparison of the KPIs as of March 31, 2021, which were shared with KMBL in relation to their investment with updated KPIs as of September 30, 2022 is as follows:

Item	As shared for KMBL (as of and for March, 2021)	As applicable for IPO (as of and for September, 2022)	% Increase
LTM Revenue (in ₹ million)	4,811	6,974	45%
LTM Statutory PAT <sup>(1)</sup> (in ₹ million)	(645)	1,661	357%
LTM Adjusted PAT (in ₹ million)*	1,337	1,836	37%
Monthly Equity AAUM (in ₹ bn)	4,596	7,066	54%
Market Share (%)	33.9%	35.3%	
Monthly SIP Inflows (in ₹ million)	37,617	54,465	45%
Market Share (%)	41.0%	42.0%	
# of Folios (Domestic Mutual Fund) (in ₹ million)	42	65	57%
Market Share (%)	42.5%	47.2%	
# of NPS Subscribers ('000)	361	842	133%

*Note: Adjusted PAT: Statutory PAT + Goodwill amortization net of tax + NCD Interest net of tax + onetime deferred tax impact on Goodwill due to amendment in Tax laws in FY 21*

*(1)Statutory PAT: Profit for the Year / period; LTM: Last twelve months*

## 10. Justification for Offer Price

Set out below is an explanation for our Offer Price/Cap Price being [●] in comparison to our WACA of Primary Issuance (set out in 8. above) (a) along with our Company's key performance indicators and financial ratios for three months ended September 30, 2022 and September 30, 2021 and Fiscals 2022, 2021 and 2020 and (b) in view of the external factors which may have influenced the pricing of the Offer. For details of our Company's KPIs, see "- Key financial and operational metrics ("KPIs")" above.

- We are India's largest investor solutions provider to Indian mutual funds, based on number of AMC clients serviced as on September 30, 2022. (Source: CRISIL Report) We are providing services to 24 out of 41 AMCs in India, as on September 30, 2022, representing 59% of market share based on the number of AMC clients. (Source: CRISIL Report) In addition, we signed on two new AMCs that are yet to launch operations as on September 30, 2022. (Source: CRISIL Report).
- Within investor solutions for Indian mutual funds, we have grown our market share of overall AAUM managed by our clients and serviced by us from 25% during Fiscal 2020 to 32% during September 2022, according to the CRISIL Report. Similarly, our market share of Equity AAUM managed by our clients and serviced by us increased from 29% during Fiscal 2020 to 35% during September 2022, according to the CRISIL Report.
- We are the only investor and issuer solutions provider in India that offers services to asset managers such as mutual funds, AIFs, wealth managers and pension as well as corporate issuers in India, besides servicing overseas clients in South East Asia and Hong Kong as on September 30, 2022. (Source: CRISIL Report).
- We are servicing 301 funds of 192 asset managers in India as on September 30, 2022, representing 30% market share based on number of AIFs being serviced. (Source: CRISIL Report).
- We are one of the three operating CRAs for the NPS in India as on September 30, 2022. (Source: CRISIL Report).
- As on September 30, 2022, out of the 60 AMCs in Malaysia across wholesale funds, unit trust funds and private retirement schemes as specified in the CRISIL Report, we are servicing 18 AMC clients in Malaysia in addition to three clients in Philippines and Hong Kong as on September 30, 2022. In addition, we have signed on two new AMCs in Malaysia and one AMC in Singapore that are yet to launch operations as on September 30, 2022.
- We are the largest issuer solutions provider in India based on number of clients serviced, as on September 30, 2022. (Source: CRISIL Report) We are one of only two players of scale in India's issuer solutions space where we hold a 46% market share based on the market capitalization of NSE 500 companies and a 37% market share based on number of clients serviced within NSE 500 companies, each as on September 30, 2022. (Source: CRISIL Report) Player of scale corresponds to entities with minimum 25% market share (in terms of serviced clients) within NSE 500 companies in the Indian issuer solutions space. (Source: CRISIL Report).
- We are highly diversified with respect to our offerings and revenue mix as compared to CAMS. Currently, our Mutual Fund business accounts for 67.7% whereas it is 90.2% for CAMS. (Source: CRISIL Report).
- Revenue contribution from our platform products and VAS increased from 3.95% in Fiscal 2020, to 6.04% in Fiscal 2022, primarily due to our track record of up-selling and cross-selling VAS and products to our existing client base primarily in domestic mutual fund and issuer solutions.
- We had the best EBITDA margin of 45.53% in Fiscal 2022 amongst peers for whom data is available. It is followed by CAMS (44.3%) and Bigshare Services Private Limited (44.1%). (Source: CRISIL Report).

- We provide clients with an omni-channel experience by combining our platform with a physical pan India network of 182 service centers that aids in offline transaction origination and channel partner servicing.
- We build our in-house platforms for scale, to enable us to absorb growth in the number of investors, assets and transaction volumes. From handling over 185.60 million transactions in Fiscal 2020, we handled over 225.62 million transactions in Fiscal 2021 and 331.73 million transactions in Fiscal 2022.
- We have experienced significant growth due to an increase in business with existing clients. As a result, our net revenue retention in Fiscal 2022 and for six months period ended September 30, 2022 for (i) domestic mutual funds solutions is 141.50% and 112.62%, respectively, and (ii) issuer solutions business is 115.81% and 123.81%, respectively. For further details in relation to our Restated Consolidated Financial Information as of and for the Fiscal ended March 31, 2020, see “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on page 389. Investors should read the above-mentioned information along with “*Risk Factors*”, “*Our Business*”, “*Financial Statements*” and “*Other Financial Information*” on pages 30, 220, 302 and 382, respectively, to have a more informed view.

The Offer Price is [●] times of the face value of the Equity Shares. The Offer Price of ₹ [●] has been determined by our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters. The trading price of Equity Shares could decline due to factors mentioned in “*Risk Factors*” on page 30 and you may lose all or part of your investments. Investors should read the above-mentioned information along with “*Risk Factors*”, “*Our Business*”, “*Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 30, 220, 302, and 389 respectively, to have a more informed view.

## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

The Board of Directors  
**KFin Technologies Limited** (Formerly KFin Technologies Private Limited)  
Selenium Tower B, Plot Nos. 31&32,  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad - 500 032

Date: 01 December 2022

Dear Sirs,

**Subject: Statement of possible special tax benefits (“the Statement”) available to KFin Technologies Limited (formerly known as ‘KFin Technologies Private Limited’) (“the Company”) and its shareholders (the “Shareholders”) prepared in accordance with the requirement under Schedule VI – Part A - Clause (9) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“the SEBI ICDR Regulations”)**

This Report is issued in accordance with the engagement letter dated 16 November 2022.

We hereby report that the enclosed Annexure II prepared by the Company, initialed by us and the Company for identification purpose, states the possible special tax benefits available to the Company and its Shareholders, under direct and indirect tax laws as stated and defined in Annexure I, presently in force in India as on the signing date (together, “**the Tax Laws**”).

The Company does not have any material subsidiary in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, i.e., the Company does not have a subsidiary whose income or net worth in the immediately preceding accounting year (i.e., as on 31 March 2022) exceeds 10% of the consolidated income or consolidated net worth respectively, of the Company.

These possible special tax benefits are dependent on the Company and its Shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its Shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and its Shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure II cover the possible special tax benefits available to the Company and its Shareholders and do not cover any general tax benefits available to the Company and its Shareholders. We wish to highlight that the distinction between “general” and “special” tax benefits is not defined under the ICDR Regulations. Accordingly, we have provided comments on those tax benefits, the availability of which is contingent to the fulfillment of certain conditions as per the applicable tax laws. Further, the preparation of the enclosed Annexure I and II and its contents is the responsibility of the Management of the Company. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.

In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company through offer for sale of equity shares by a shareholder (the “**Proposed Offer**”) particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither are we suggesting nor are we advising the investors to invest money based on this Statement.

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (“**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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

We do not express any opinion or provide any assurance as to whether:

- i) the Company and its Shareholders will continue to obtain these possible special tax benefits in future; or
- ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of enclosed Annexures are based on the information, explanation and representations obtained from the Company, and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

We hereby give consent to include this Statement in the Red Herring Prospectus, the Prospectus and in any other material used in connection with the Proposed Offer, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For B S R & Associates LLP**

Chartered Accountants

ICAI firm registration number: 116231W/ W-100024

**Amit Kumar Bajaj**

Partner

Membership No.: 218685

ICAI UDIN: 22218685BEQGYX3650

Place: Hyderabad

Date: 01 December 2022

## ANNEXURE I

#	Details of Tax Laws
1.	Income Tax Act, 1961 and Income Tax Rules, 1962, each as amended and read with respective circulars and notifications made thereunder
2.	Central Goods and Services Tax Act, 2017, as amended
3.	Integrated Goods and Services Tax Act, 2017, as amended
4.	State Goods and Services Tax Act, 2017, as amended
5.	Customs Act, 1962 and Customs Tariff Act, 1975, each as amended and read with respective rules, circulars and notifications made thereunder
6.	Foreign Trade Policy

## ANNEXURE II

### **ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE KFIN TECHNOLOGIES LIMITED (FORMERLY KNOWN AS KFIN TECHNOLOGIES PRIVATE LIMITED) (“THE COMPANY”) AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS (“TAX LAWS”) IN INDIA**

Outlined below are the possible special tax benefits available to the Company and its Shareholders under the Tax Laws. These possible special tax benefits are dependent on the Company and its Shareholders fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company or its Shareholders to derive the possible special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

#### **UNDER THE TAX LAWS**

##### **1. DIRECT TAXATION**

###### **A. Special tax benefits available to the Company**

The following special tax benefits would be available to the Company after fulfilling conditions as per the respective provisions of the tax laws identified supra:

- a. In accordance with and subject to fulfilment of conditions as laid out under Section 80JJAA of the Income-Tax Act, 1961 ('IT Act') the Company may be entitled to claim deduction of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.
- b. In accordance with the provisions of Section 80M of the IT Act, dividend received by the company from any other domestic company or a foreign company or a business trust, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by the company on or before one month prior to due date of furnishing the income-tax return under Section 139(1) of the IT Act for the relevant year, be allowed.

Further, any deduction, in respect of the amount of dividend distributed by the domestic company, has been allowed under Section 80M(1) of the IT Act in any previous year, no deduction shall be allowed in respect of such amount in any other previous year.

###### **B. Special tax benefits available to Shareholders**

The Shareholders of the Company are not eligible to any special tax benefits under the IT Act and Income Tax Rules, 1962 identified supra.

##### **2. Indirect taxation**

###### **A. Special tax benefits available to the Company**

The Company is not eligible for any special tax benefits under the Central Goods and Services Tax Act, 2017, as amended; Integrated Goods and Services Tax Act, 2017, as amended; State Goods and Services Tax Act, 2017, as amended; Customs Act, 1962 and Customs Tariff Act, 1975, each as amended and read with respective rules, circulars and notifications made thereunder; and the Foreign Trade Policy.

###### **B. Special tax benefits available to Shareholders**

The Shareholders of the Company are not eligible for any special tax benefits under the Central Goods and Services Tax Act, 2017, as amended; Integrated Goods and Services Tax Act, 2017, as amended; State Goods and Services Tax Act, 2017, as amended; Customs Act, 1962 and Customs Tariff Act, 1975, each as amended and read with respective rules, circulars and notifications made thereunder; and the Foreign Trade Policy.



**NOTES:**

1. The above is as per the current tax laws, as amended by the Finance Act, 2022.
2. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.
3. The possible special tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.
4. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The Shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.
5. The tax benefits discussed in the Statement are not exhaustive and are only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
6. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable double taxation avoidance agreement, if any, between India and the country in which the non-resident has fiscal domicile.

**For KFin Technologies Limited (formerly known as ‘KFin Technologies Private Limited’) as authorized by the Board of Directors**

**Vivek Narayan Mathur**  
*Chief Financial Officer*  
Place: Mumbai  
Date: 01 December 2022

## CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a discussion of certain U.S. federal income tax consequences to U.S. Holders (defined below) of acquiring, owning and disposing of Equity Shares, but it does not purport to be a comprehensive discussion of all tax considerations that may be relevant to a particular person's decision to acquire Equity Shares. This discussion applies only to a U.S. Holder that acquires Equity Shares in the Offer and that owns Equity Shares as capital assets for U.S. federal income tax purposes. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), U.S. Treasury regulations promulgated thereunder, and administrative rulings and judicial interpretations thereof, in each case as in effect of the date of this Red Herring Prospectus. Except as expressly described herein, this discussion does not address the U.S. federal income tax consequences that may apply to U.S. Holders under the Convention Between the government of the United States of America and the government of the Republic of India for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the "**Treaty**"). All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below. No ruling will be sought from the U.S. Internal Revenue Service (the "**IRS**") with respect to any statement or conclusion in this discussion, and there can be no assurance that the IRS will not challenge such statement or conclusion in the following discussion or, if challenged, that a court will uphold such statement or conclusion.

In addition, this discussion does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including any U.S. state, local or non-U.S. tax law, the Medicare tax on net investment income, and any estate or gift tax laws, and it does not describe differing tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain banks, financial institutions or financial services entities;
- regulated investment companies and real estate investment trusts;
- dealers or traders in securities that use a mark-to-market method of tax accounting;
- insurance companies;
- persons holding Equity Shares as part of a hedge, straddle, conversion, constructive sale, integrated transaction or similar transaction;
- governments or agencies or instrumentalities thereof;
- persons liable for the alternative minimum tax;
- persons required for U.S. federal income tax purposes to accelerate the recognition of any item of gross income with respect to our Equity Shares as a result of such income being recognized on an applicable financial statement;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- entities or arrangements classified as partnerships or pass-through entities for U.S. federal income tax purposes or holders of equity interests therein;
- tax-exempt entities, "individual retirement accounts" or "Roth IRAs";
- certain U.S. expatriates or former long-term residents of the United States;
- persons that acquired Equity Shares pursuant to an exercise of employee share options, in connection with employee share incentive plans or otherwise as compensation;
- persons that own, directly, indirectly or constructively, ten percent (10%) or more of the total voting power or value of all of our outstanding stock; or
- persons owning Equity Shares in connection with a trade or business conducted outside the United States.

U.S. Holders should consult their tax advisors concerning the U.S. federal, state, local and non-U.S. tax consequences of acquiring, owning and disposing of Equity Shares in their particular circumstances.

For purposes of this discussion, a “U.S. Holder” is a person that, for U.S. federal income tax purposes, is a beneficial owner of Equity Shares and is:

- an individual citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all substantial decisions of the trust or otherwise if the trust has a valid election in effect under current Treasury regulations to be treated as a United States person.

If a partnership (or other entity or arrangement that is classified as a partnership or other pass-through entity for U.S. federal income tax purposes) is the beneficial owner of Equity Shares, the U.S. federal income tax treatment of a partner, member or other beneficial owner in such partnership or other pass-through entity generally will depend on the status of the partner, member or other beneficial owner and the status and activities of the partnership or other pass-through entity holding Equity Shares. Partnerships or other pass-through entities owning Equity Shares and partners, members or other beneficial owners in such partnerships or other pass-through entities should consult their tax advisors as to the particular U.S. federal income tax consequences of acquiring, owning and disposing of the Equity Shares.

THE DISCUSSION OF U.S. FEDERAL INCOME TAX CONSIDERATIONS SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP, OR DISPOSITION OF EQUITY SHARES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, INCLUDING THE APPLICABILITY AND EFFECT OF OTHER FEDERAL, STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS, INCLUDING THE TREATY, AND POSSIBLE CHANGES IN TAX LAW.

#### *Taxation of Distributions*

Subject to the discussion below under “—Passive Foreign Investment Company Rules,” the gross amount of any distribution of cash or property paid with respect to our Equity Shares (including any amounts withheld in respect of Indian taxes), will generally be included in a U.S. Holder’s gross income as dividend income on the date actually or constructively received to the extent such distribution is paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Distributions in excess of our current and accumulated earnings and profits will be treated first as a non-taxable return of capital, thereby reducing the U.S. Holder’s adjusted tax basis in our Equity Shares (but not below zero), and thereafter as either long-term or short-term capital gain depending upon whether the U.S. Holder held our Equity Shares for more than one year as of the time such distribution is actually or constructively received. Because we do not prepare calculations of our earnings and profits using U.S. federal income tax principles, it is expected that distributions generally will be taxable to U.S. Holders as dividends, and taxable at ordinary income tax rates.

Dividends on our Equity Shares generally will not be eligible for the dividends-received deduction generally available to U.S. corporations with respect to dividends received from other U.S. corporations. With respect to certain non-corporate U.S. Holders, including individual U.S. Holders, dividends will be taxed at the lower capital gains rate applicable to “qualified dividend income,” provided that (i) the Company is eligible for the benefits of the Treaty, (ii) the Company is not a PFIC (as discussed below under “—Passive Foreign Investment Company Rules”) for its taxable year in which the dividend is paid and the preceding taxable year, and (iii) certain holding period and other requirements are met. The amount of any dividend paid in Rupees will be the U.S. dollar value of the Rupees calculated by reference to the spot rate of exchange in effect on the date of actual or constructive receipt, regardless of whether the payment is in fact converted into U.S. dollars on such date. U.S. Holders should consult their own tax advisors regarding the treatment of any foreign currency gain or loss.

A U.S. Holder generally will be entitled, subject to certain limitations, to a credit against its U.S. federal income

tax liability, or to a deduction, if elected, in computing its U.S. federal taxable income, for non-refundable Indian income taxes withheld from dividends at a rate not exceeding the rate provided in the Treaty (if applicable). For purposes of the foreign tax credit limitation, dividends paid by the Company generally will constitute foreign source income in the “passive category income” basket. The rules relating to the foreign tax credit or deduction, if elected, are complex and U.S. Holders should consult their tax advisors concerning their availability in their particular circumstances.

#### *Sale or Other Taxable Disposition of Equity Shares*

Subject to the discussion below under “—Passive Foreign Investment Company Rules,” a U.S. Holder generally will recognize gain or loss for U.S. federal income tax purpose on the sale, exchange or other taxable disposition of our Equity Shares in an amount equal to the difference between the amount realized on the disposition and the U.S. Holder’s adjusted tax basis in the Equity Shares disposed of, in each case as determined in U.S. dollars. Such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder’s holding period for the Equity Shares exceeds one year. Long-term capital gains of certain non-corporate U.S. Holders (including individuals) are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

A U.S. Holder’s initial tax basis in our Equity Shares will be the U.S. dollar value of the Rupee denominated purchase price determined on the date of purchase, and the amount realized on a sale, exchange or other taxable disposition of our Equity Shares will be the U.S. dollar value of the payment received determined on the date of disposition. If our Equity Shares are treated as traded on an “established securities market,” a cash method U.S. Holder or, if it elects, an accrual method U.S. Holder, will determine the U.S. dollar value of (i) the cost of such Equity Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase, and (ii) the amount realized by translating the amount received at the spot rate of exchange on the settlement date of the sale, exchange or other taxable disposition. Such an election by an accrual method U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. Accrual-method U.S. Holders that do not elect to be treated as cash-method taxpayers for this purpose may have a foreign currency gain or loss for U.S. federal income tax purposes, which in general will be treated as U.S.-source ordinary income or loss. U.S. Holders should consult their advisors as to the U.S. federal income tax consequences of the receipt of Rupees.

If any Indian tax is imposed on the sale or other disposition of our Equity Shares, a U.S. Holder’s amount realized will include the gross amount of the proceeds of the sale or other disposition before deduction of the Indian tax. U.S. Holders should consult their own tax advisors concerning the creditability or deductibility of any Indian income tax imposed on the disposition of Equity Shares in their particular circumstances.

#### *Passive Foreign Investment Company Rules*

In general, a corporation organized outside the United States will be treated as a passive foreign investment company (“**PFIC**”) for U.S. federal income tax purposes in any taxable year in which (a) 75% or more of its gross income is passive income (the “**income test**”) or (b) 50% or more of its assets either produce passive income or are held for the production of passive income in a taxable year (ordinarily determined based on fair market value and averaged quarterly over the year) (the “**asset test**”). For this purpose, “gross income” generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources, and “passive income” generally includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. For purposes of the PFIC income test and asset test described above, if the Company owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, the Company will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation.

Based on the nature of our business, the composition of our income and assets, the value of our assets and the expected price of our Equity Shares, the Company does not believe that it was a PFIC for its taxable year ended March 31, 2022, and does not expect that it will be a PFIC for its current taxable year or in the foreseeable future. However, because a determination of whether a company is a PFIC must be made annually after the end of each taxable year and the Company’s PFIC status for each taxable year will depend on facts, including the composition of Company’s income and assets and the value of Company’s assets (which may be determined in part by reference to the market value of the Equity Shares) at such time, there can be no assurance that the Company will not be a PFIC for the current or any future taxable year. If the Company is a PFIC for any taxable year during which a U.S. Holder holds Equity Shares and any of the Company’s non-U.S. subsidiaries is also a

PFIC, such U.S. Holder will be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. U.S. Holders are urged to consult their tax advisors about the application of the PFIC rules to any of the Company's subsidiaries.

Generally, if the Company is a PFIC for any taxable year during which a U.S. Holder holds Equity Shares, the U.S. Holder may be subject to adverse tax consequences. Generally, gain recognized by a U.S. Holder upon a disposition (including, under certain circumstances, a pledge) of Equity Shares by the U.S. Holder would be allocated ratably over the U.S. Holder's holding period for such Equity Shares. The amounts allocated to the taxable year of disposition and to years before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as appropriate, and an interest charge would be imposed on the tax attributable to the allocated amount. Further, to the extent that any distribution received by a U.S. Holder on the Equity Shares exceeds 125% of the average of the annual distributions on such Equity Shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain, described immediately above. Certain elections may be available that would result in alternative treatments of the Equity Shares if the Company was a PFIC.

If the Company was a PFIC for any year during which a U.S. Holder owned Equity Shares, the Company would generally continue to be treated as a PFIC with respect to such U.S. Holder for all succeeding years during which such U.S. Holder held the Equity Shares, even if the Company ceased to meet the threshold requirements for PFIC status.

If the Company is or becomes a PFIC, certain elections would result in alternative treatments, such as a mark-to-market election (discussed below) of the Equity Shares, or such as a "qualified electing fund" ("QEF") election to include in income the U.S. Holder's share of the corporation's income on a current basis. A U.S. taxpayer may generally make a QEF election with respect to shares of a foreign corporation only if such taxpayer is furnished annually with a PFIC annual information statement as specified in the applicable Treasury regulations. For a U.S. Holder to make a QEF election, the Company must agree to supply annually to the U.S. Holder the "PFIC Annual Information Statement" described in Treasury Regulations and permit the U.S. Holder access to certain information in the event of an audit by the U.S. tax authorities. The Company does not intend to provide information necessary for U.S. Holders to make QEF elections. Therefore, U.S. Holders should assume that they will not receive such information from us and would therefore be unable to make a QEF election with respect to our Equity Shares.

Alternatively, if the Company is a PFIC for any taxable year and if the Equity Shares are "regularly traded" on a "qualified exchange," a U.S. Holder could make a mark-to-market election with respect to the Equity Shares (but not with respect to any Lower-tier PFICs, if any) that would result in tax treatment different from the general tax treatment for PFICs described above. The Equity Shares will be treated as "regularly traded" in any calendar year in which more than a de minimis quantity of the Equity Shares is traded on a qualified exchange on at least 15 days during each calendar quarter. A non-U.S. securities exchange constitutes a qualified exchange if it is regulated or supervised by a governmental authority of the country in which the securities exchange is located and meets certain trading listing, financial disclosure and other requirements set forth in the U.S. Treasury regulations. Our Equity Shares will be listed on BSE and NSE. It is unclear, however, whether the Stock Exchanges would meet the requirements for a "qualified exchange." There can be no assurance, therefore, that the mark-to-market election would be available to a U.S. Holder of Equity Shares if the Company was treated as a PFIC.

Generally, under the mark-to-market election the U.S. Holder will recognize at the end of each taxable year (i) ordinary income in respect of any excess of the fair market value of the Equity Shares over their adjusted tax basis or (ii) ordinary loss in respect of any excess of the adjusted tax basis of the Equity Shares over their fair market value (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. Holder makes the election, the U.S. Holder's tax basis in the Equity Shares will be adjusted to reflect these income or loss amounts. Any gain recognized on the sale or other disposition of Equity Shares in a year when the Company was a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). U.S. Holders should consult their tax advisors regarding the availability and advisability of making a mark-to-market election in their particular circumstances. As to any elections with respect to our Equity Shares, including mark-to-market elections or QEF elections, U.S. Holders should consult their own tax advisors to determine whether any of these elections would be available or advisable if the Company is or becomes a PFIC and, if so, what the consequences of the alternative treatments would be in their particular circumstances.

If a U.S. Holder owns our Equity Shares during any year in which we are a PFIC, the U.S. Holder generally will be required to file an IRS Form 8621 annually with respect to the Company, generally with the U.S. Holder's U.S. federal income tax return for that year unless specified exceptions apply.

U.S. Holders should consult their tax advisors regarding our PFIC status for any taxable year and the potential application of the PFIC rules.

#### *Information Reporting and Backup Withholding*

Payments of dividends and sales proceeds from a sale, exchange or other taxable disposition (including redemption) of our Equity Shares that are made within the United States, by a U.S. payor or through certain U.S.-related financial intermediaries to a U.S. Holder generally are subject to information reporting, unless the U.S. Holder is a corporation or other exempt recipient. In addition, such payments may be subject to backup withholding, unless (1) the U.S. Holder is a corporation or other exempt recipient or (2) the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding in the manner required.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will generally be allowed as a credit against the U.S. Holder's U.S. federal income tax liability or may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

#### *Foreign Financial Asset Reporting*

Certain U.S. Holders who are individuals or certain specified entities that own "specified foreign financial assets" with an aggregate value in excess of U.S.\$50,000 (and in some circumstances, a higher threshold) may be required to report information relating to the Equity Shares by attaching a complete IRS Form 8938, Statement of Specified Foreign Financial Assets (which requires U.S. Holders to report "foreign financial assets," which generally include financial accounts held at a non-U.S. financial institution, interests in non-U.S. entities, as well as stock and other securities issued by a non-U.S. person), to their tax return for each year in which they hold our Equity Shares, subject to certain exceptions (including an exception for our Equity Shares held in accounts maintained by U.S. financial institutions). U.S. Holders should consult their tax advisors regarding their reporting obligations with respect to their acquisition, ownership, and disposition of the Equity Shares.

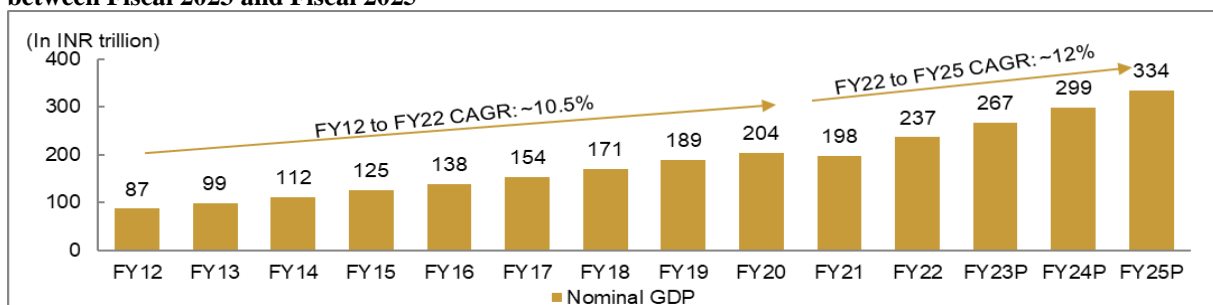
## SECTION IV – ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

The information contained in this section is derived from a report titled “Assessment of Investor and Issuer Solutions industry across asset classes in India, South East Asia and Hong Kong” dated November 25, 2022 prepared by CRISIL Limited (the “CRISIL Report”), and exclusively commissioned and paid by our Company only for the purposes of the Offer. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information. Forecasts, estimates, predictions, and other forward-looking statements contained in the CRISIL Report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in the prospectus and the recipient must rely on its own examination and the terms of the transaction, as and when discussed.

#### SECTION 1: MACROECONOMIC OUTLOOK FOR INDIA

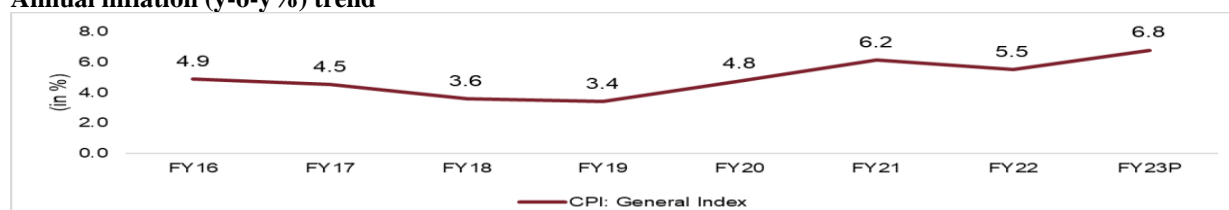
**Nominal gross domestic product (“GDP”) to grow at 12% compound annual growth rate (“CAGR”) between Fiscal 2023 and Fiscal 2025**



Note: P – Projected; Source: National Statistics Office (NSO), IMF, CRISIL MI&A estimates

India’s nominal GDP in Fiscal 2022 is estimated to be USD 3.0 trillion and is projected to grow to approximately USD 4.2 trillion by end of Fiscal 2025. The National Statistics Office (“NSO”), in its provisional GDP estimates released in May 2022, forecasted India’s real GDP to grow by 7.2% in Fiscal 2023. CRISIL MI&A forecasts India’s real GDP for Fiscal 2023 to grow by approximately 7.0%. In addition, the focus of Union Budget 2022-23 on pushing capital expenditure (“capex”) despite walking a Fiscal tightrope provides optimism and creates a platform for higher growth. The lift in the consumption cycle is now tied to broad based pick-up in economic activity and the Indian government is trying to engineer this through focus on investments. CRISIL MI&A estimates that this would enhance the growth potential of India’s economy and bring endurance to growth in the medium term. However, CRISIL MI&A believes that higher oil prices, slower global growth and higher inflation may curb the pace of economy recovery in short term. The impact is expected to be greater in Fiscal 2024 as global growth is expected to decelerate at a faster rate. Additionally, domestic demand may come under pressure as interest rate hikes may get transmitted to consumers, and the increased demand for contact-based services reduces. Consequently, CRISIL MI&A expects India’s GDP growth to slow to 6.0% in Fiscal 2024, with risks to forecast remaining tilted downwards. CRISIL MI&A expects crude oil prices to average at USD 98-103 per barrel in Fiscal 2023 compared to USD 80 per barrel in Fiscal 2022. Further, consumer price index (“CPI”) inflation is expected to average at 6.8% in Fiscal 2023 compared to 5.5% in Fiscal 2022, with risks tilted to the upside. The monsoons being normal and well-distributed (103% of the long-period average), as per the Indian Metrological Department’s forecast, would be critical to the inflation trajectory.

#### Annual inflation (y-o-y%) trend



### Macroeconomic outlook for Fiscal 2023

Macro variables	FY22	FY23P	Rationale for outlook
GDP (year-on-year (“y-o-y”))	8.7*%	7.0%	Growth in Fiscal 2023 is expected to be influenced by inflation and external spillovers. Most of the central banks around the world are hiking rates, which may have an adverse impact on Indian economy. As global growth is projected to slow down due to withdrawal of easy monetary policies by major economies around the world, demand for Indian exports is expected to slow down. With high commodity prices, especially oil, this may translate negatively in terms of a trade shock for India. Uncertainty due to the Russia-Ukraine war could put private capex plans on the back burner which would imply lower investment growth.
CPI inflation (y-o-y)	5.5%	6.8%^	CPI inflation is expected to be moderate in the coming few months as base effect comes into play and with the expectation of a healthy rabi crop. Further, seasonal effect for vegetable inflation may be reduced after November following fresh harvest of the rabi crop. Yet, inflation is expected to remain elevated above the RBI’s upper tolerance band of 6%, with pressure from both food and core items.
10-year government security yield (Fiscal -end)	6.8%	7.5%	Increase in gross market borrowing by the Indian government, rate hikes by the Reserve Bank of India (“RBI”) and the Federal Reserve System (“The Fed”) along with surging crude oil price are expected to cause a surge in yields of government securities (“G-Sec”).
Current account balance (“CAD”) /GDP (%)	-1.2%	-3.2%	CRISIL expects the import bill to be high as exports slow down due to global factors, leading to a wider CAD. Some support is expected from the rebalancing of trade from merchandise to services, which will likely boost services exports. Lower gold prices and Russia’s growing share in India’s crude oil imports could also limit the downside to CAD.
₹/USD (March average)	76.2	79.5	The rupee-dollar exchange rate will remain volatile with a depreciation bias in the near term due to widening trade deficit, foreign portfolio investment (FPI) outflows and strengthening of the US dollar index. US Dollar index will strengthen due to rate hikes by US Federal Reserve and safe-haven demand for the dollar amid geopolitical risks. A strong US dollar, along with elevated crude oil prices, is expected to maintain pressure on the rupee.

Note: \*NSO estimate, ^ with upside risk, P – Projected

Source: Reserve Bank of India (RBI), National Statistics Office (NSO), CRISIL MI&A

### Financial conditions begin to tighten with mounting inflation

The RBI’s Monetary Policy Committee (“MPC”) raised policy rates by 40 bps in May 2022. This was followed by a 50 bps in June 2022, and 50 bps in August 2022 and another hike of 50 bps in September 2022, thus bringing the repo rate to 5.90%, standing deposit facility (“SDF”) to 5.65% and marginal standing facility (“MSF”) to 6.15%. The rate hike can be seen as a response to both domestic elevated inflation and spill over risks arising out of aggressive monetary tightening by major central banks. Compared to 190 bps hike by RBI in Fiscal 2023 to-date, the Fed has hiked its policy rate by 225 bps in 2022 to-date. The MPC expects CPI inflation to remain above its upper tolerance of 6% in the third quarter of Fiscal 2023 (projected at 6.5%) and trend downward thereafter (fourth quarter of Fiscal 2023 at ~5.8% and first quarter of Fiscal 2024 at ~5%).

Despite slower global growth, the MPC believes India’s economic recovery is gaining strength. The latest GDP numbers showed the growth slowing to 4.1% on-year in the fourth quarter of Fiscal 2022 compared to 5.4% in the previous quarter. However, first quarter of Fiscal 2023 showed broadening recovery. High frequency indicators such as bank credit, railway, freight traffic, Goods and Service Tax (“GST”) collections and steel consumption also indicate improvement in economy. Further, the MPC also expects a rebound in contact-based service and investment activity gains to augur well for the economy.

### GDP to bounce back over the medium term

After clawing back in Fiscal 2022, CRISIL MI&A forecasts India’s real GDP to grow at 6.5-7.0% per annum between Fiscals 2023 and 2025. This growth is expected to be supported by the following factors:

- Focus on investments rather than consumption thereby enhancing the productive capacity of the Indian economy.
- The production-linked incentive (“PLI”) scheme, which aims to incentivize local manufacturing by giving volume-linked incentives to manufacturers in specified sectors.
- Policies aimed towards greater formalization of the economy, which are expected to accelerate the per capita income growth.

Prior to the onset of the COVID-19 pandemic, India’s GDP growth slowed on account of existing vulnerabilities such as a weak



financial sector and subdued private investment. However, India is expected to witness stable growth, supported by a prudent fiscal and monetary policy due to the PLI scheme, reduction in corporate tax rate, labor law reforms together with healthy demographics and a more favorable corporate tax regime.

### Union Budget 2022-23 turns expansionary with an eye on medium term

The Union Budget 2022-23 bet big on an investment push to lift economic growth, two years and three waves into the COVID-19 pandemic. The idea is to push the growth multiplier rather than stoke consumption through direct budgetary support. For Fiscal 2023, the Indian government’s revenue expenditure is budgeted to grow less than 1% after growing 2.7% in Fiscal 2022. The total capex of the Indian government, that includes budgetary capex, revenue grants for capital creation and capex by central public sector enterprises, is budgeted to rise to 14.5% in Fiscal 2023 as compared to 3.1% in Fiscal 2022. Thus, the Indian government has tightened the belt around revenue expenditure and frontloaded infrastructure spending that is expected to lead to faster economic growth.

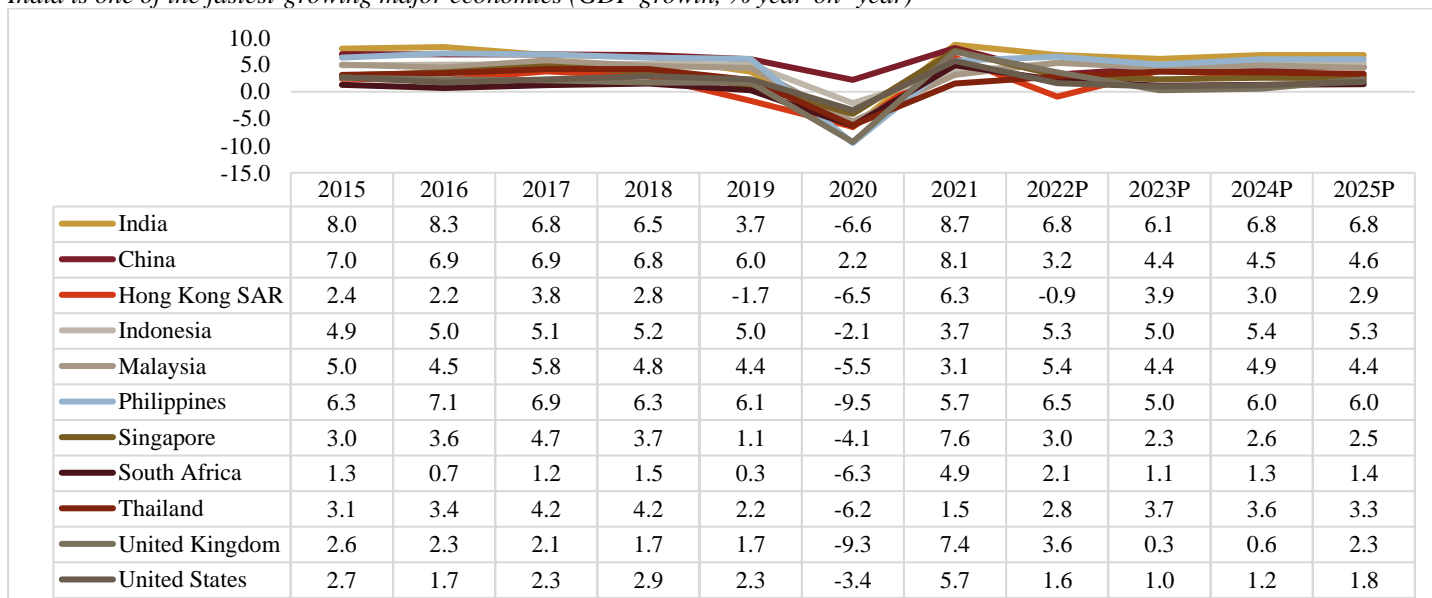
Among the sectors, infrastructure continues to be in the bright spot with a 30% hike in budgetary support. In addition, railways, water and green energy has also received strong impetus. If there is an overarching picture, it is that the Union Budget 2022-23 sets the tone for much-needed infrastructure growth for the next three to four years. That is expected to help sustain development and create jobs. Nevertheless, implementation, which is crucial, remains the elephant in the room. The Union Budget 2022-23 also tries to lift the medium-term growth potential through a sharper focus on financial sector reforms such as:

- **Deepening Financial Inclusion:** In another progressive step for the financial sector, the Indian government, in the Union Budget 2022-23, also announced its intention to add 0.15 million post offices to the core banking system to enable financial inclusion and access to accounts through net and mobile banking, and automated teller machines (“ATMs”) and provide online fund transfers between post office and bank accounts; and
- **Extending ECLGS:** The allocation under Emergency Credit Line Guarantee Scheme (“ECLGS”) has been increased from ₹ 4.5 trillion to ₹ 5.0 trillion and the timeline for sanctions has been extended to March 2023. However, the enhancement of ₹ 500 billion is earmarked exclusively for hospitality and related enterprises, which have been impacted the most due to the COVID-19 pandemic.

### India to remain a growth outperformer globally

India was one of the fastest growing economies in the world pre-COVID-19, with an annual growth of around 6.7% between calendar years 2014 and 2019. However, while the economic growth in calendar year 2020 had been dented due to COVID-19 pandemic, CRISIL expects the economy to rebound and India to regain its tag of one of the fastest growing economies globally in the medium-term. Going forward, International Monetary Fund (“IMF”) forecasts India’s GDP to grow at a faster pace than other economies. Despite the markdown in near-term growth, India is expected to remain a growth outperformer over the medium run. Stronger domestic demand is expected to drive India’s growth premium over peers in the medium run. Investment prospects are optimistic given the Indian government’s capex push, progress of PLI scheme, healthier corporate balance sheets, and a well-capitalized banking sector with low non-performing assets (“NPAs”). India is also likely to benefit from China-plus-one policy as global supply chains get reconfigured with shifting focus from efficiency towards resilience and friend shoring. Private consumption (~57% of GDP) is expected to play a supportive role in raising GDP growth over the medium run.

India is one of the fastest-growing major economies (GDP growth, % year-on- year)



Note: All forecasts refer to IMF forecasts. GDP growth is based on constant prices, Data represented is for calendar years, P: Projected, Source: IMF (World Economic Outlook – October 2022)

## Key downside risks to the global outlook

1. The war between Russia and Ukraine has dented the incipient global recovery and result in a further spike in oil and commodity prices, thereby exacerbating already existing inflationary pressures and causing slower global growth. A prolonged war between Russia and Ukraine and geo-political tensions arising out of it poses a significant risk to global growth. In addition, tightening of financial conditions is also likely to weigh on the global prospects.
2. Slowdown in China's growth, normalization of monetary policy in advanced economies and emergence of new vaccine resistant COVID-19 variants.
3. Vaccine access and spread: While vaccination programs across the globe are underway, lower than expected rate of vaccination remains a key monitorable.

## **SECTION 2: MACROECONOMIC OUTLOOK FOR SOUTHEAST ASIA AND HONG KONG**

### **Singapore**

The Singaporean economy logged its worst contraction in calendar year 2020 as an outbreak of COVID-19 pandemic pushed the city-state into recession. However, strong policy response, impressive vaccine rollout and robust economic fundamentals resulted in sharp recovery of the Singaporean economy. As a result, Singapore's GDP expanded by 7.6% in calendar year 2021, rebounding from -4.1% in calendar year 2020. In the first quarter of calendar year 2022, the Singaporean economy further expanded by 3.7% on year-on-year basis, driven by growth in manufacturing, finance and insurance and professional services. In calendar year 2022, IMF projects the Singapore economy to grow by 3.0% driven by pent up demand as economy reopens. The headline inflation is expected to remain elevated at 4.8% in calendar year 2022, owing to rising domestic cost pressure, which has been exacerbated by external factors such as Russia – Ukraine war and slowdown in China's growth. Going forward, higher government spending directed towards infrastructure, aging related outlays, climate change, push towards digitization, favorable policies (taxes and benefits payment) for reducing economic inequality and rising labor force participation rate are expected to boost consumption and support growth for the Singaporean economy. In addition, the easing of Singapore's travel restrictions has bolstered the recovery of professional services. Between calendar years 2022-2025, IMF projects the economy growth to converge to 2.5%, with sustained and accelerated efforts likely to be witnessed towards a greener, digital, and more inclusive economy.

### **Malaysia**

Malaysia's economy entered the COVID-19 pandemic from a strong position owing to its strong fiscal, monetary and financial policy response, which helped cushion the economic shock from the COVID-19 pandemic and ensured financial stability. In calendar year 2021, the manufacturing and construction sector rebounded sharply, causing the Malaysian economy to grow by 3.1% on year. In calendar year 2022, the Malaysian economy is expected to grow by 5.4% driven by increasing domestic demand against the backdrop of high vaccination rates, limited movement restrictions as well as strong external demand. Over the medium to long term, policy support and government reforms for realizing the shared prosperity vision 2030 (“SPV 2030”) is expected to lead a GDP growth of 4.6% between calendar years 2022 and 2025. However, long standing political and related policy uncertainty could have implications on reforms momentum, with implications for public investments. Other risks include a sharper slowdown in China, Malaysia's largest trading partner and volatile food and fuel prices, arising out of Russia – Ukraine conflict.

### **Thailand**

Due to the outbreak of COVID-19 pandemic in calendar year 2020, Thailand registered negative GDP growth owing to weak domestic demand, coupled with subdued global economy that contributed to weak headline and core inflation throughout the year. However, in calendar year 2021, the economy rebounded by 1.5% led by a gradual recovery in domestic demand and goods export. Going forward, Thailand's economy is projected to witness a gradual recovery with economy expanding by 2.8% and 3.7% in calendar years 2022 and 2023, respectively, due to continued recovery in domestic and tourism demand with the easing of COVID-19 restrictions as well as sustained demand for their merchandise exports. Between calendar years 2022 and 2025, IMF has projected Thailand's economy to grow at a CAGR of 3.5%, riding on back of fiscal support focused on speeding up of public investment and protecting the vulnerable through social transfer schemes. In the near term, policy support is expected to remain nimble with a focus on strengthening the recovery, protecting the vulnerable segments of population, and minimizing the economic scarring from the COVID-19 pandemic. Over the medium term, a more gradual but growth focused strategy through spending in productivity enhancing investments in education, ICT, green resilient infrastructure is expected to aid the economy. Further, reduced dependence on contact intensive sectors, foreign travel and addressing long-standing structural issues such as limited digital infrastructure in Thailand and reliance on traditional channels such as agents and brokers to invest, combined with training and educational outcomes is also expected to promote innovation and catalyze digital transformation and mitigate the possible long term economic damage from the COVID-19 pandemic.

### **Indonesia**

Real GDP for Indonesia grew by 3.7% in calendar year 2021, despite growth temporarily slowing down in the third quarter of calendar year 2021 when mobility was restricted to quell a wave of the Delta variant of COVID-19. This growth came after Indonesia's economy contracted by 2.1% in calendar year 2020. The economy entered calendar year 2022 on a positive note with the manufacturing Purchasing Managers' Index (“PMI”) in June 2022 being higher than PMI in September 2021 and consumer confidence index (“CCI”) in June 2022 being higher than CCI in October 2021. Retail sales were also strong with Mandiri Spending

Index (“MSI”) in February 2022 being higher by 25% above the level at start of the COVID-19 pandemic, i.e., January 2020. IMF has projected the Indonesian economy to grow by 5.3% and 5.0% in calendar years 2022 and 2023 respectively, supported by domestic demand. Over the longer term, strong policy measures and structural measures such as adoption of the Omnibus Law for Job Creation and the Tax Harmonization Law is expected to address the competitiveness gaps in infrastructure, health and attractiveness to foreign investments, which would lead to improvement in business environment and spur growth in the Indonesian economy.

## Philippines

The Philippines economy grew by 5.7% in calendar year 2021, after the COVID-19 pandemic induced economic downturn in calendar year 2020, which led to GDP contraction of 9.5%. As domestic restrictions were eased, the second half of calendar year 2021 witnessed growth by 7.3% as COVID-19 pandemic measures affecting business were eased and COVID-19 pandemic alert levels were lowered in the country. In calendar year 2021, the investments rebounded by 19% due to rising private and public investments, reversing 34.4% contraction in calendar year 2021. Household consumption, accounting for three-fourth of the GDP also witnessed of 7.3% year on year in the second half of calendar year 2021 and by 4.2% for calendar year 2021. Going forward, IMF has projected the Philippines’ economy to grow at 6.5% in calendar year 2022. With the economic recovery on track, rebound in investment and a more expansionary policy stance, Philippines GDP is projected to grow at a CAGR of 5.7% between calendar years 2022 and 2025. Over the medium term, rebuilding fiscal space to prepare and respond to potential future shocks will also be important for the economy. Further, structural reforms such as formation of Corporate Recovery and Tax Incentives for Enterprises (“CREATE”) and efficient implementation of Financial Institutions Strategic Transfer (“FIST”) law is also expected to improve investment and economic prospects in Philippines.

## Hong Kong

Following a 2-year recession, the economy in Hong Kong expanded by 6.3% in 2021, a 11 year high. With rapid vaccination progress and COVID-19 pandemic contained in the last year, economic activity rebounded sharply by 7.8% in first half of calendar year 2021 and by 5.1% in second half, supported by buoyant domestic and external demand. The recovery was spearheaded by private consumption, which rebounded strongly from a record decline by 10.5% in calendar year 2020 to rise by 5.6% in real terms. The labor market conditions also improved, with the seasonally adjusted unemployment rate falling to an average 3.9% in fourth quarter of calendar year 2021. After a strong rebound last year, Hong Kong’s GDP growth is projected to decline to -0.9% in calendar year 2022. Further, outbreak of the Omicron variant of COVID-19 virus presents the downside risks to Hong Kong’s economy and credit metrics that further waves of COVID-19 virus may pose if the government continues to adhere strictly to its “Zero COVID” approach. Further, IMF has projected GDP growth to moderate below 3.3% between calendar years 2022 and 2025 due to structural headwinds such as aging of population. However, faster than expected development of global recovery could lead to stronger export growth than currently envisaged, which could further improve medium and long-term growth prospects.

### GDP growth of Southeast Asian Countries and Hong Kong

Country	2019	2020	2021	2022P	2023P	2024P	2025P	2022-25 CAGR	2021 GDP (in USD Bn)
Singapore	1.1%	-4.1%	7.6%	3.0%	2.3%	2.6%	2.5%	2.5%	373
Hong Kong	-1.7%	-6.5%	6.3%	-0.9%	3.9%	3.0%	2.9%	3.3%	368
Malaysia	4.4%	-5.5%	3.1%	5.4%	4.4%	4.9%	4.4%	4.6%	346
Thailand	2.2%	-6.2%	1.5%	2.8%	3.7%	3.6%	3.3%	3.5%	312
Indonesia	5.0%	-2.1%	3.7%	5.3%	5.0%	5.4%	5.3%	5.2%	778
Philippines	6.1%	-9.5%	5.7%	6.5%	5.0%	6.0%	6.0%	5.7%	370
<b>Total</b>									<b>2,547</b>

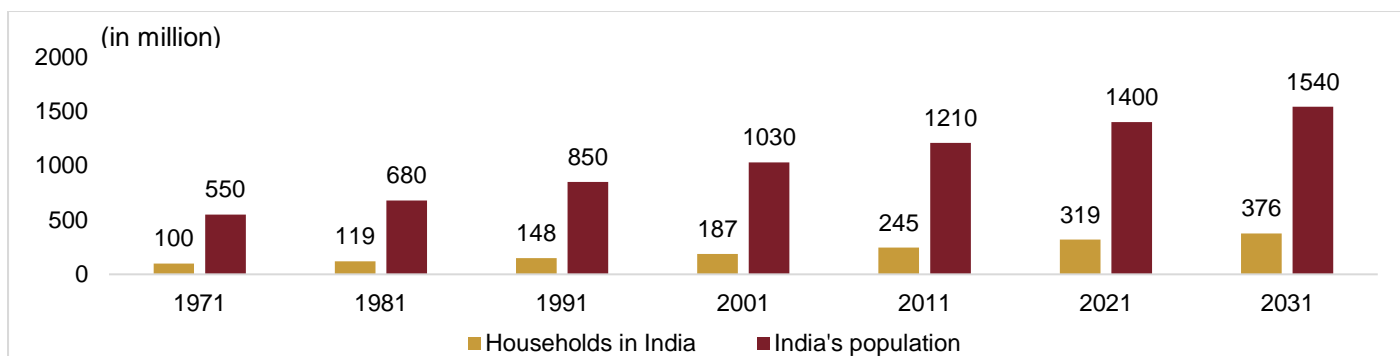
Note: P: Projected, Source: IMF (World Economic Outlook – October 2022), CRISIL MI&A

## SECTION 3: KEY MACRO GROWTH DRIVERS

### India has world’s second largest population

As per Indian Census 2011, India’s population was approximately 1.2 billion, and comprised nearly 245 million households. The population had increased by approximately 11% between calendar years 2011 and 2021, reaching approximately 1.4 billion. By the end of calendar year 2031, India’s population is expected to reach 1.5 billion and the number of households are expected to reach approximately 376 million.

### India’s population and household growth trajectory

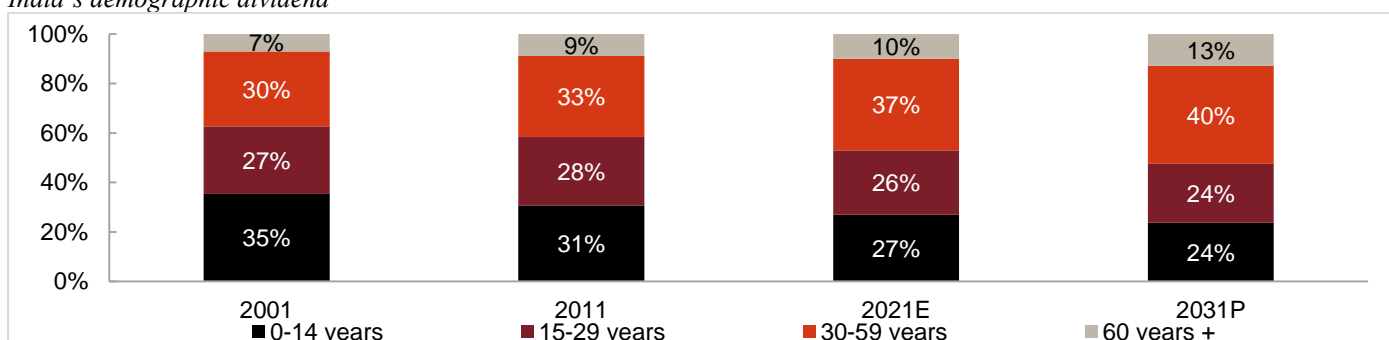


Note: P: Projected; Source: United Nations Department of Economic and Social affairs, Census India, CRISIL MI&A

### Favorable demographics

As of calendar year 2020, India has one of the largest young populations in the world, with a median age of 28 years. CRISIL estimated that approximately 90% of Indians were still below the age of 60 by calendar year 2021 and that 63% of them were between 15 and 59 years. In comparison, in calendar year 2020, the population of United States of America (“U.S.”), China and Brazil below the age of 60 was 77%, 83% and 86%, respectively.

#### India's demographic dividend



Note: E: Estimated, P: Projected; Source: United Nations Department of Economic and Social affairs, CRISIL MI&A

### Increasing per capita GDP

In Fiscal 2022, India's per capita income expanded by 7.6%. As per IMF estimates, India's per capita income (at constant prices) is expected to grow at 6% CAGR between Fiscals 2022 and 2025 and nominal GDP per capita (at current prices) is projected to increase at a CAGR of 15% between Fiscals 2022 and 2025.

Per capita income	Level in Fiscal 22 (INR '000)		Growth at constant prices (%)										
	Current prices	Constant prices	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY25 P
	172	107	3.3	4.6	6.2	6.7	6.8	5.7	5.8	2.9	-7.6	7.6	6.0*

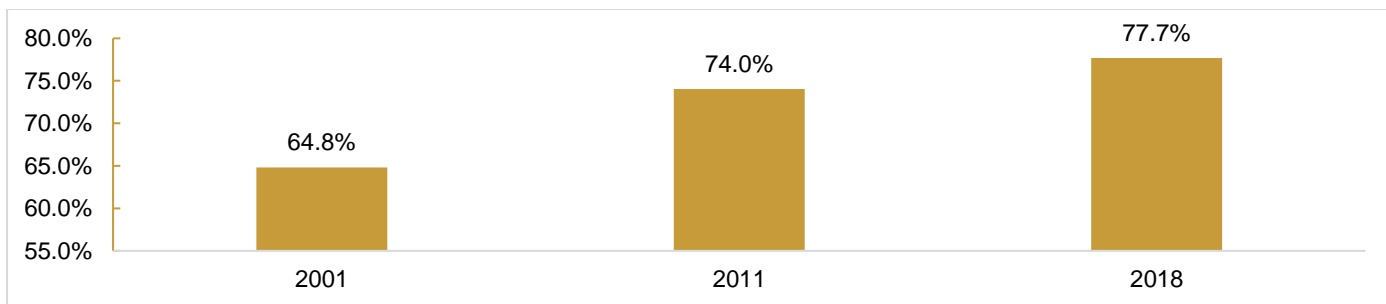
Note – P: Projected, (\*) - 3-year CAGR growth (FY22-FY25), As per IMF estimates of April 2022

Source – Ministry of Statistics and Program Implementation (MOSPI), International Monetary Fund (IMF), CRISIL MI&A

### Financial penetration to rise with increase in awareness of financial products

As per the results of the National Statistical Office survey conducted from July 2017 to June 2018, the overall literacy in India is at 77.7%, which is still below the world literacy rate of 86.5%. However, according to the National Financial Literacy and Inclusion Survey (“NCFE-FLIS”) 2019, only 27% of Indian population is financially literate indicating a huge gap and potential for the financial services industry.

Overall literacy rate on the rise in India



Source: Census 2011, NSO Survey on household social consumption (2017-18), CRISIL MI&A

With increasing financial literacy, mobile penetration, awareness, and the Prime Minister’s Jan Dhan Yojana bank accounts, a scheme aimed at bringing the unbanked under the formal banking system, there has been a rise in the participation of individuals from non-metro cities in banking. With more people joining the formal banking sector, the demand for financial products in smaller cities has seen a major uptick in recent years. Going forward, CRISIL expects financial penetration to increase on account of increasing financial literacy.

### Digitization, aided by technology to play a pivotal role in growth of economy

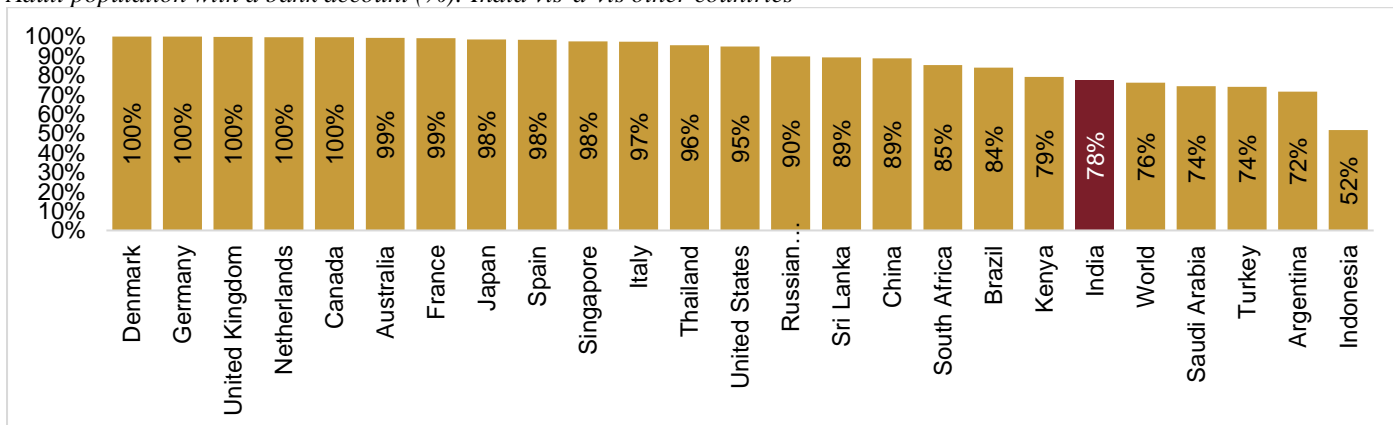
Technology is expected to play an important role by progressively reducing the cost of reaching out to smaller markets. India has seen a tremendous rise in financial technology (“**fintech**”) adoption in the past few years and has the highest fintech adoption rate globally of 87%, which is significantly higher than the global average rate of 64% in September 2021 (Source: InvestIndia). This is expected to lead to faster and cheaper reach of financial services in the remote areas of India and is expected to bring more people under the financial fold.

### Key structural reforms: Long-term positives for the Indian economy

#### Financial inclusion

According to the World Bank’s Global Findex Database 2021, the global average of adult population with an account opened with a bank, financial institution or mobile money provider, was approximately 78% in calendar year 2021. India’s financial inclusion has improved significantly over calendar years 2014 to 2021 as adult population with bank accounts increased from 53% to 78% (Source: Global Findex Database) due to the Indian government’s concentrated efforts to promote financial inclusion and the proliferation of supporting institutions.

Adult population with a bank account (%): India vis-à-vis other countries



Note: 1. Global Findex data for India excludes northeast states, remote islands and selected districts. 2. Account penetration is for the population within the age group of over 15; Source: World Bank - The Global Findex Database 2021, CRISIL MI&A

Key initiatives launched by the Indian government to promote financial inclusion are the Pradhan Mantri Jan Dhan Yojana (“**PMJDY**”), Pradhan Mantri Jeevan Jyoti Bima Yojana (“**PMJJBY**”) and the Pradhan Mantri Suraksha Bima Yojana (“**PMSBY**”).

#### GST implementation

Introduced on July 1, 2017, GST is an indirect tax regime that subsumed multiple cascading taxes levied by the Indian central and state Governments. The GST regime has been stabilizing fast and is expected to bring more transparency and formalization, eventually leading to higher economic growth.

#### Insolvency and Bankruptcy Code (“**IBC**”), a key long-term structural positive

IBC is a reform that is expected to structurally strengthen the identification and resolution of insolvency in India. IBC is expected to enhance investors’ confidence when investing in India. Internationally, recovery rates have improved significantly after the

implementation of bankruptcy reforms as follows:

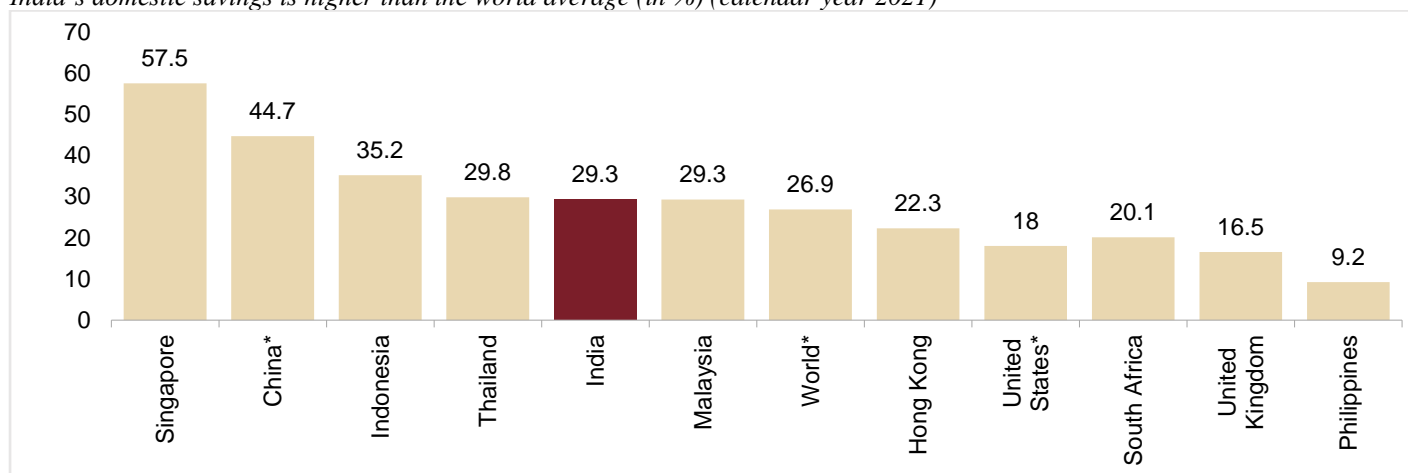
Country	Year of bankruptcy reform	Pre-reforms		Five years post-reforms	
		Recovery rate (%)	Time (years)	Recovery rate (%)	Time (years)
Brazil	2005	0.2	10.0	17.0	4.0
Russia	2009	28.2	3.8	42.8	2.0
China	2007	31.5	2.4	36.1	1.7
India	2016	26.0	4.3	43*	1.6*

Note: \* As of 2019; Source: World Bank, CRISIL MI&A

### Household savings to increase

According to the World Bank, the savings rate, or the proportion of gross domestic savings (“GDS”) in GDP in the Indian economy has trended down in the past decade. India’s GDS peaked at 36.8% of GDP in Fiscal 2008 and dipped to 32% in Fiscal 2009. That was largely on account of a sharp slowdown in public savings, with the government resorting to fiscal stimulus to address the external shock from the global financial crisis. However, India’s domestic savings was still higher at 29.3% as compared to the world average of 26.9% at end of calendar year 2021.

India’s domestic savings is higher than the world average (in %) (calendar year 2021)



Note: \* Data for CY 2020, The savings rate is in %; Source: World Bank, CRISIL MI&A

CRISIL MI&A expects India to continue being a high savings economy at least over the next decade. CRISIL MI&A expects household savings to increase further on account of an expected decline in discretionary spending during the COVID-19 pandemic. CRISIL MI&A is also sanguine on the savings rate increasing in the medium term, as households become focused on creating a nest egg for the future post the COVID-19 pandemic-induced uncertainty. Further, according to the Securities and Exchange Board of India (“SEBI”), during Fiscal 2021, until the third quarter, the household financial savings deployed in securities market had grown significantly to 1.2% of GDP as compared to 0.3% earlier. Going forward, if the amount of savings deployed in securities market sustained, it is expected to boost the capital markets and economy.

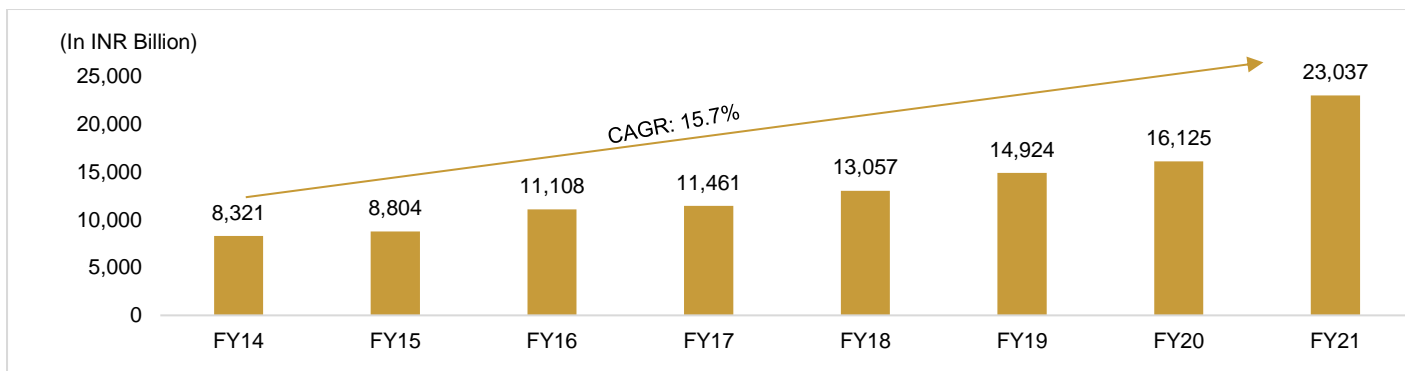
### Gross domestic savings trend

Parameters (₹ billion)	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21
GDS	36,082	40,200	42,823	48,251	54,807	60,003	59,959	55,924
Household sector savings (net financial savings, savings in physical assets and in the form of gold and silver ornaments)	22,853	24,391	24,749	27,871	32,966	38,446	39,291	43,906
Gross financial savings	11,908	12,572	14,962	16,147	20,564	22,636	23,991	31,089
Financial liabilities	3,587	3,768	3,854	4,686	7,507	7,712	7,866	8,052
Net financial savings	8,321	8,804	11,108	11,461	13,057	14,924	16,125	23,037
Savings in physical assets	14,164	15,131	13,176	15,946	19,442	23,094	22,735	20,484
Savings in the form of gold and silver ornaments	368	456	465	465	467	427	431	384

Note: The data is for financial year ending March; Physical assets are those held in physical form, such as real estate, etc.

Source: MOSPI, National Accounts Statistics, CRISIL MI&A

### Net Household Financial savings growth

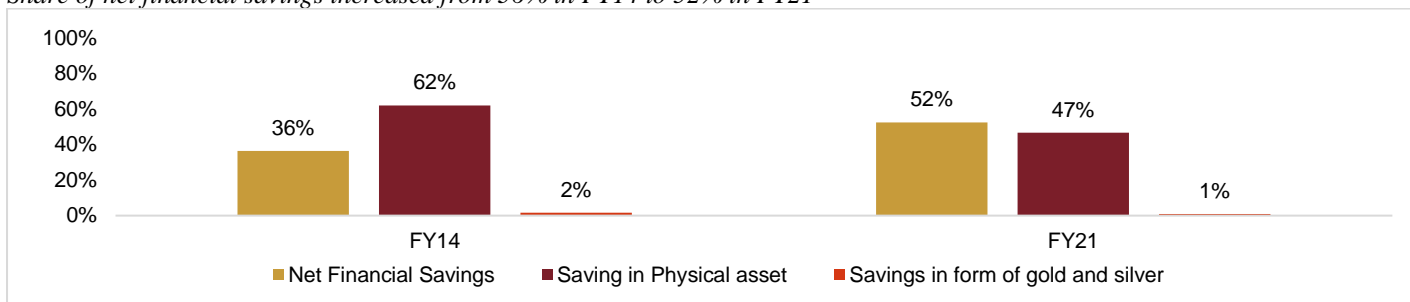


Note: The data is for financial year ending March; Net Household Financial Savings= Gross Financial savings – Financial Liabilities, Source: MOSPI, CRISIL MI&A

### Capital markets to remain attractive part of financial savings

Between Fiscal 2014 and Fiscal 2021, the net financial savings increased at a CAGR of approximately 15.7% as compared to approximately 5.4% for saving in physical assets between the same period. This led to a decline in household savings in physical assets from 62% in Fiscal 2014 to 47% in Fiscal 2021. During the same period, financial savings grew from 36% to 52%. Along with an increase in financial literacy, the relative outperformance of financial assets over recent years, and the Indian government’s efforts to fight the shadow economy, CRISIL MI&A expects the share of financial assets as a proportion of net household savings to increase over the next five years. The rise in financial assets is expected to further boost the financial investments under mutual funds (“MFs”), equity, pension schemes, insurance and alternate assets.

Share of net financial savings increased from 36% in FY14 to 52% in FY21



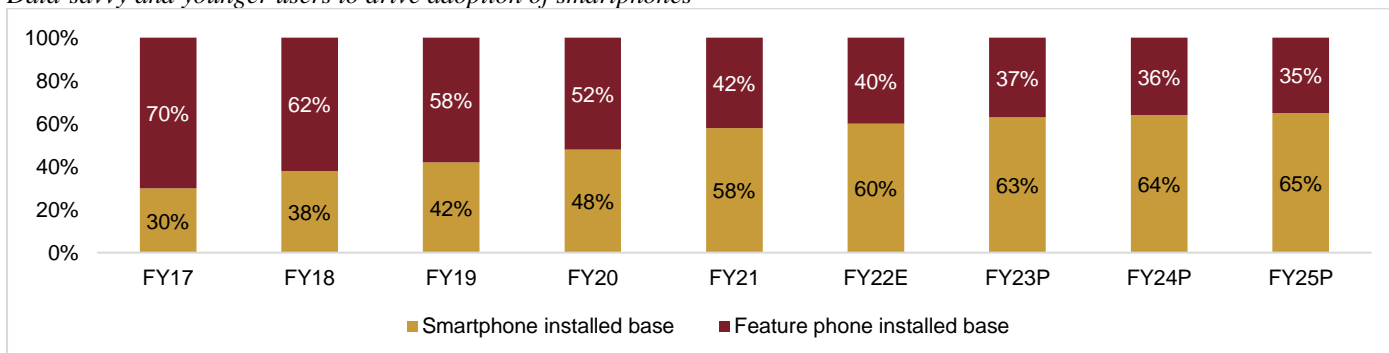
Note: The data is for financial year ending March; Source: Handbook of Statistics on Indian Economy 2018-19, RBI, MOSPI, CRISIL MI&A

### Digitization to support economic growth and financial services

Technology is expected to play a pivotal role in taking the financial sector to the next level of growth, by helping to surmount challenges stemming from India’s vast geography, which makes physical footprints in smaller locations commercially unviable. Technology is conducive for India, considering its demographic structure where the median age is 28 years.

**Mobile penetration:** Higher mobile penetration, improved connectivity, and faster and cheaper data speed, supported by Aadhaar and bank account penetration have led India to shift from being a cash-dominated economy to a digital one.

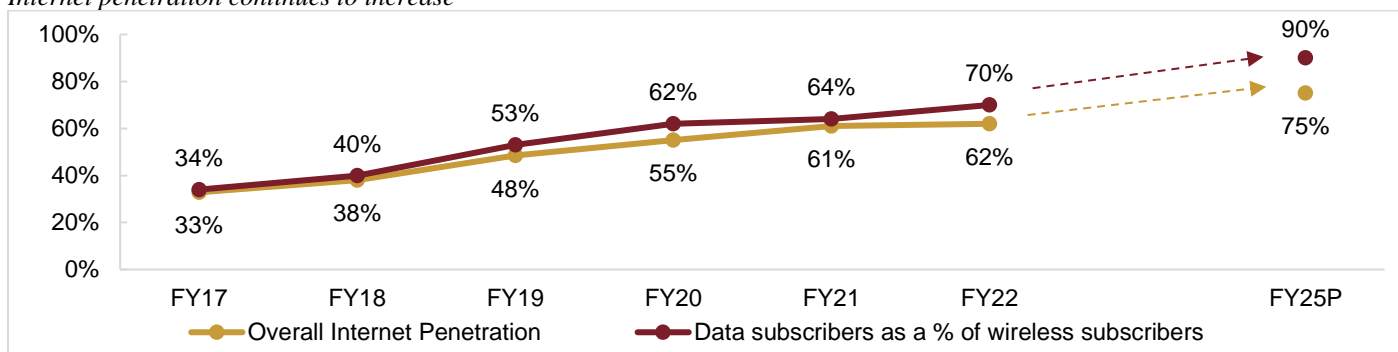
Data-savvy and younger users to drive adoption of smartphones



Note: E: Estimated, P: Projected; Source: CRISIL MI&A

**Internet penetration:** India has witnessed a dramatic surge in internet users, fueled largely by cheaper smartphones and 4G connectivity. The internet penetration, as a percentage of total population, was approximately 62% in Fiscal 2022 compared to nearly 33% in Fiscal 2017. CRISIL expects the total number of internet subscribers in India to increase to 1,000 million in Fiscal 2025, resulting in internet penetration of approximately 75%.

### Internet penetration continues to increase

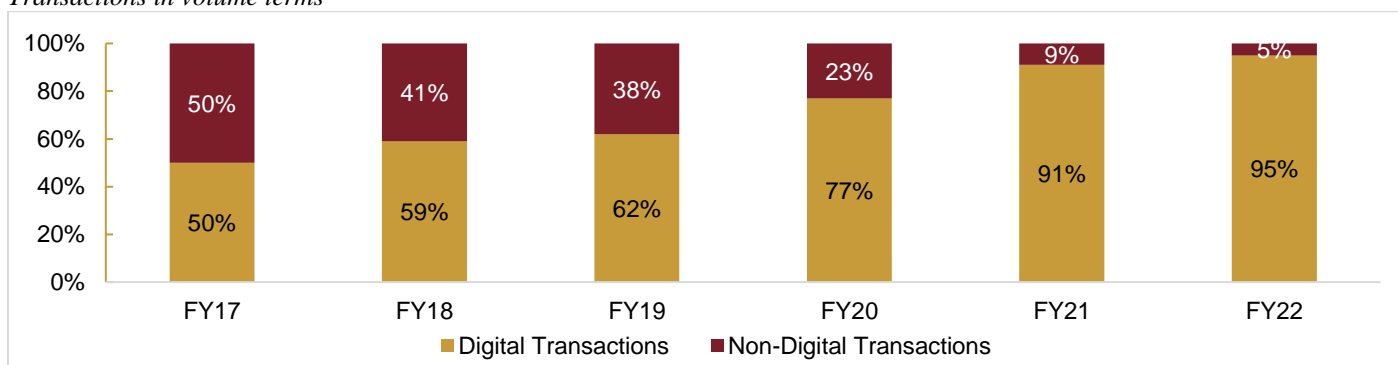


Note: P: Projected; Source: Telecom Regulatory Authority of India (TRAI), CRISIL MI&A

### Increasing share of digital channels in domestic monetary transactions

Change in customer behavior favoring digital channels was led by demonetization when cash transactions slowed down and many new accounts were opened. Post-COVID-19, it further gain prominence due to avoidance of contact. The preference has also shifted from cost factors to convenience and ease of performing transactions, as it helps in saving time spent in queues and does not disturb the daily working hours.

### Transactions in volume terms



Note: Digital transactions includes RTGS – excluding interbank clearing, ECS, NEFT, IMPS, NACH, cards and prepaid instruments; non-digital transactions include cheques/paper clearing and ATM transactions.

Source: RBI, CRISIL MI&A

## **SECTION 4: OVERVIEW OF INDIAN MARKET INFRASTRUCTURE INSTITUTIONS AND KEY INTERMEDIARIES**

SEBI recognizes various organizations as market infrastructure institutions (“**MIIs**”) and intermediaries which perform various activities for smooth functioning of capital markets. In any transaction, various entities that are involved act as an interface between companies and investors to perform different transactions in capital markets. SEBI has categorized stock exchanges, clearing corporations and depositories as MIIs since these are ‘systemically important institutions’, as they provide, among other things, infrastructure necessary for the smooth and uninterrupted functioning of the securities market. Further, SEBI has also categorized various other entities as intermediaries. Each market intermediary plays its role in a transaction based on the rules that are made by SEBI to ensure seamless execution of transactions and transfer of funds. These intermediaries are independent of one another and together create an ecosystem in which the financial market exists and play a leading role owing to their technological know-how and infrastructure, scale and track record. These intermediaries consist of various types of funds, asset managers, distributors, brokers, advisors that market their products and services to end-investor, as well as intermediaries which provide various products and services to the aforementioned entities and/or issuer of securities such as registrar and transfer agents, credit rating agencies and know your customer (“**KYC**”) registration agency (“**Key Intermediaries**”). As a result of established client relationships, importance of scale as also technology and infrastructure, track record of delivering services, and stricter compliance to regulations, CRISIL MI&A has observed that the MIIs and Key Intermediaries are characterized by the presence of a few scaled up players with high market share and margins.

In the paragraphs below, CRISIL has detailed the role performed by each of these MII and Key Intermediaries and given a snapshot of their revenues and profitability

### Stock Exchanges

Stock Exchange is a vital component of capital markets, and it facilitates the transaction between traders of financial instruments and targeted buyer. It is a platform where buyers and sellers come together to trade during the specific hours of business, while adhering to the guidelines defined by SEBI.



The list of exchanges and the segments permitted is provided below:

Exchanges	Segments Permitted
<b>Bombay Stock Exchange (BSE)</b>	Equity, equity derivatives, currency derivatives (including interest rate derivatives), commodity derivatives, debt
<b>India International Exchange (India INX)</b>	Equity derivatives (equity index derivatives and single stock derivatives), commodity derivatives, currency derivatives, debt
<b>Indian Commodity Exchange (ICEX)</b>	Commodity derivatives
<b>Metropolitan Stock Exchange of India</b>	Equity, equity derivatives, currency derivatives (including interest rate futures), debt
<b>Multi Commodity Exchange of India (MCX)</b>	Commodity derivatives
<b>National Commodity &amp; Derivatives Exchange (NCDEX)</b>	Commodity derivatives
<b>National Stock Exchange (NSE)</b>	Equity, equity derivatives, currency derivatives (including interest rate derivatives), commodity derivatives, debt
<b>NSE IFSC</b>	Equity derivatives (equity index derivatives and single stock derivatives), commodity derivatives, currency derivatives, debt securities (masala bonds)

Source: SEBI, CRISIL MI&A

### Clearing Corporations

Clearing corporations are established to ensure that the settlement of trades and transactions happen without any counterparty risk by acting as a buyer to every seller and a seller to every buyer, thereby guaranteeing the delivery of shares and ensuring total transparency in buying and selling of securities. According to SEBI, there are five clearing corporations in India, namely, Indian Clearing Corporation Limited (“**ICCL**”), Metropolitan Clearing Corporation of India Limited (“**MCCIL**”), The Multi Commodity Exchange Clearing Corporation Limited (“**MCECCL**”), National Commodity Clearing Limited (“**NCCL**”). and NSE Clearing Limited (“**NCL**”).

### Depository

Depositories are entities that hold all the records of all securities in an electronic form and offer dematerialized (“**demat**”) accounts to individuals, where they store their securities and is a proof of ownership of an investor in a particular company. In India, there are two Depositories, namely, National Securities Depository Limited (“**NSDL**”) and Central Depository Services Limited (“**CDSL**”).

### Registrar and Transfer Agents (“RTAs”)

Registrar and transfer agents are agencies that record and maintain a complete record of transaction of investors for the benefit of mutual fund houses or listed entities. In India, Computer Age Management Systems (“**CAMS**”), Kfin Technologies Limited (“**KFintech**”) and Link Intime are qualified RTAs (“**QRTAs**”) which are responsible for the various activities such as:

Registrar to an issue – The registrar to an issue is responsible for collection of applications from investors with respect to an issue, proper maintenance of applications and assisting the corporate body in terms of determining the basis of allotment of securities, finalizing the list of persons entitled to allotment of securities, processing and dispatching allotment letters and executing other related documents in respect of the issue.

For mutual funds – The RTAs act as a mediator or agent between investors and asset management companies (“**AMCs**”) and generate various statements such as portfolio valuation statements, transaction details of a folio and KYC verification of investors and is critical for functioning of other market intermediaries as well.

An investor can also place the following service request with an RTA:

- Cancellation or stoppage request of an ongoing systematic investment plan (“**SIP**”), systematic transfer plan (“**STP**”) or systematic withdrawal plan (“**SWP**”)
- Change in bank mandate and updating of records
- Redemption of mutual fund units

For AIFs – The RTAs provide the following services:

- Investor servicing
- Fund accounting
- KYC services

In India, CAMS and KFintech are the two qualified mutual fund RTAs, and CAMS and KFintech also extend services to AIFs. CAMS and KFintech’s extensive branch network, technological capability and deep knowledge of the market help the AMCs service their investors efficiently and focus on their core business function. The economies of scale developed by RTAs along with their asset light business model have helped them to enhance offerings to multiple stake holders at minimal extra costs, leading to stable revenue growth and high EBITDA margins.

## Credit Rating Agencies (“Credit Agencies”)

Credit rating agencies are entities that assess the financial strength of private and government entities, especially their ability to meet principal and interest payments on their debt. The rating, thus assigned to a given debt shows an agency’s level of confidence that the borrower will honor its obligation. Accordingly, credit agencies play a critical role of investor protection against any malpractices and misinformation.

Currently, there are seven credit rating agencies in India:

1. Credit Rating Information Services of India Limited (“**CRISIL**”)
2. Investment Information and Credit Rating Agency of India (“**ICRA**”)
3. Credit Analysis and Research Limited (“**CARE**”)
4. India Ratings and Research Private Limited
5. ACUTE Ratings and Research
6. Brickwork Ratings India Private Limited (to wind up operations following SEBI order)
7. Infomercials Valuation and Ratings Private Limited

## KYC Registration Agency (“KRA”)

KYC registration agency is an agency whose primary role is to maintain KYC records of investors centrally, on behalf of other capital market intermediaries. Introduced to bring uniformity and to eliminate duplication of KYC process, KRAs are registered with SEBI. Currently, there are five different KYC registration agencies in place to help the investors, namely CAMS Investor Services Private Limited (“**CISPL**”), NSE Data & Analytics Limited (formerly Dotex International) (“**NDAL**”), Karvy Data Management Services Limited (“**KDMSL**”), NSDL Database Management Limited (“**NDML**”) and CDSL Ventures Limited (“**CVL**”).

## Financial snapshot of various MIIs and Key Intermediaries for Fiscal 2022

MIIs and Key Intermediaries have a financial profile generally characterized by high profitability and operating margins as specified below:

Segment	Players	Revenue from Operations (in ₹. Million)	Net Income (in ₹. Million)	EBITDA Margin (%)	PAT Margin (%)	Adjusted PAT Margin (%)
Stock Exchanges	National Stock Exchange (NSE)	89,295	51,983	74%	55%	55%
	Bombay Stock Exchange (BSE)	7,432	2,450	68%	28%	28%
	Multi Commodity Exchange of India (MCX)	3,668	1,435	76%	33%	33%
	National Commodity & Derivatives Exchange (NCDEX)	1,153	-123	-1%	-8%	-8%
Clearing Corporations	NSE Clearing Limited	6,768	4,606	73%	63%	63%
	Indian Clearing Corporation	1,300	349	49%	24%	24%
	Multi Commodity Exchange Clearing Corporation	760	263	38%	34%	34%
	National Commodity Clearing Limited	184	46	29%	15%	15%
Depository	National Securities Depository Limited	7,611	2,123	37%	26%	26%
	Central Depository Services Limited	5,513	3,118	87%	51%	51%
	CAMS	9,097	2,869	48%	31%	31%

Registrar and Transfer agents	KFintech	6,395	1,486	46%	23%	23%
	Link Intime <sup>§</sup>	970	51.3	29%	4.2%	4.2%
Credit Rating Agencies	ICRA Limited	3,428	1,135	42%	30%	30%
	CRISIL Ratings #	3,741	1,533	54%	40%	40%
	CARE Ratings	2,476	768	39%	28%	28%
	Brickwork*	625	304	51%	38%	38%
KYC Registration Agencies	CVL	1,349	730	66%	50%	50%
	NDAL	1,654	784	66%	45%	45%
	NDML*	686	311	53%	38%	38%
	CISPL	234	110	63%^	47%	47%

Note: EBITDA Margin is a non-Generally Accepted Accounting Principles (GAAP) measure, EBITDA Margin is calculated as (Total Revenue - Employee Benefit Expenses – Operating Expenses – Other Expenses) / Total Revenue, PAT Margin is defined as Net Profit/Total Revenue, Fiscal 2022 means year ended March 2022, <sup>§</sup>Financial year is ending June 2020, # Financials for the period ended December 31, 2021, \* Financial year ended March 2021, ^ EBITDA margin has been calculated as PBT/Total Revenue, Players are arranged in decreasing order of Revenues from Operations in each segment, Financials are on a consolidated basis; FY22 financials unavailable for MCCIL and KDMSL.

Source: Company Reports, CRISIL MI&A

### MIIs and Key Intermediaries have a high dividend pay-out as compared to other Nifty 50 companies

The market intermediaries also enjoyed a higher average dividend payout ratio of approximately 77% in the last four Fiscals as compared to other companies within NIFTY 50, that had an average dividend payout ratio of 30-35% during the same period, making it an attractive prospect for an investor.

Players	FY19	FY20	FY21	FY22	Average Dividend Payout
BSE Limited	114%	91%	80%	95%	95%
MCX	77%	59%	82%	119%	84%
CAMS	98%	36%	114%	66%	79%
CDSL	52%	65%	29%	59%	51%
Average of above players	85%	63%	76%	85%	77%

Note: FY 22 means year ending March 2022; Source: Company Reports, CRISIL MI&A

## SECTION 5: MARKET SIZE, OUTLOOK AND GROWTH DRIVERS

### A. MUTUAL FUNDS

#### The Mutual Funds Industry in India

The Indian mutual fund industry started with the passing of an act for the formation of the Unit Trust of India (“UTI”), a joint initiative of the Government of India and the RBI in calendar year 1963. In calendar year 1987, other public sector banks entered the mutual fund space and in calendar year 1993, the industry was opened to the private sector. The year also saw the introduction of the first formal mutual fund regulations, namely, the Securities and Exchange Board of India (Mutual Fund) Regulations, 1993. In February 2003, following the repeal of the UTI Act, 1963, UTI was bifurcated into two separate entities, namely, Specified Undertaking of the UTI (“SUUTI”) and UTI Mutual Fund. With this bifurcation, and several mergers among private sector funds, the mutual fund industry entered its current phase of consolidation and growth.

#### Classification of mutual funds

- By structure

Open-ended schemes can be purchased and redeemed on any transaction day and do not have a fixed maturity period. Closed-end schemes can be purchased only during the new fund offer period and redeemed only at maturity, but such funds are listed on stock exchanges (as mandated by regulation), where investors can sell their units to other investors.

- By fund management style

Passive funds are schemes that attempt to mimic a particular index and this category includes exchange-traded funds (“ETFs”) and index funds. Active funds attempt to generate higher returns than their benchmark index by actively managing the portfolio and relies on an active fund investor and a fund manager who buys and sells securities based on his/her research and judgment. Expenses for passive funds are typically lower than that for active funds due to lower fund management cost associated with the former.

- By distribution channel

‘Direct plans’ are schemes that allow investors to invest in mutual funds directly, i.e., without involving or routing the investment through any distributor/agent form. Whereas schemes involving a mutual fund distributor/agent are termed as ‘regular plans’. It is mandated to have a ‘direct plan’ counterpart for each mutual fund scheme (apart from a ‘regular plan’) as well so as to enable direct investments by investors. Direct plans have lower expense ratios as distribution costs are not applicable.

- By asset class

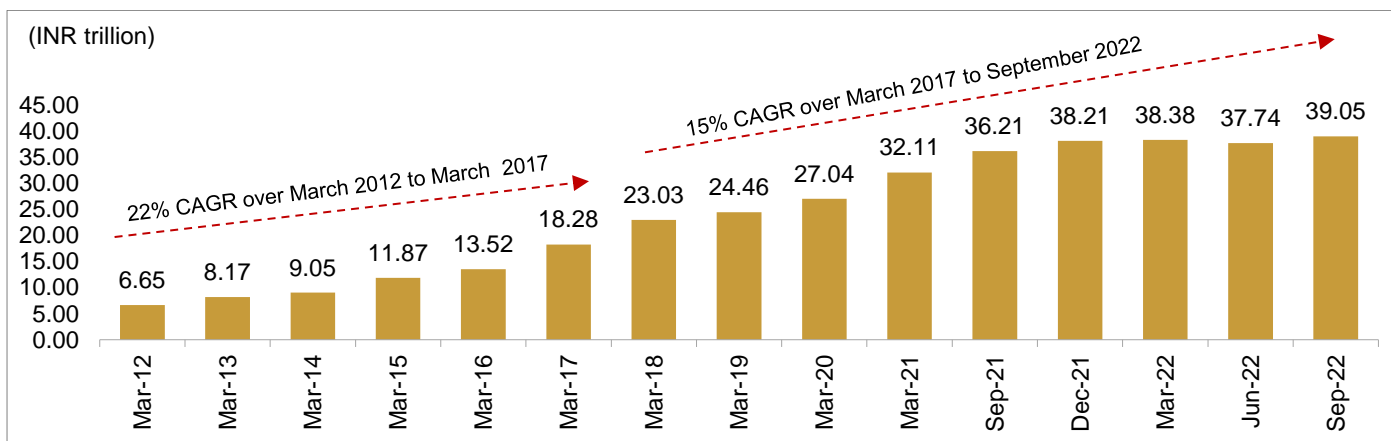
There are five broad categories of mutual fund schemes by asset class, namely, equity, hybrid, debt, solution-oriented, and other schemes. Each category, in turn, offers a plethora of funds.

## Historical Assets under Management (“AUM”) growth

### Long-term AUM growth

The aggregate AUM of the Indian mutual fund industry has grown at a healthy pace over the past 10 years, against the backdrop of an expanding domestic economy, robust inflows, and rising investor participation, particularly from individual investors. Average AUM grew at CAGR of 18% to ₹ 39.05 trillion as of September 30, 2022, from ₹ 6.65 trillion as of March 31, 2012. However, between March 2017 and September 2022, the growth has been slower comparatively at a CAGR of 15% as compared to CAGR of 22% between March 2012 and March 2017.

### AUM logged CAGR of 15% over March 2017 to September 2022



Note: Quarterly average AUM excluding infrastructure debt funds (“IDFs”) from March 2012 to September 2022; Source: AMFI, CRISIL MI&A

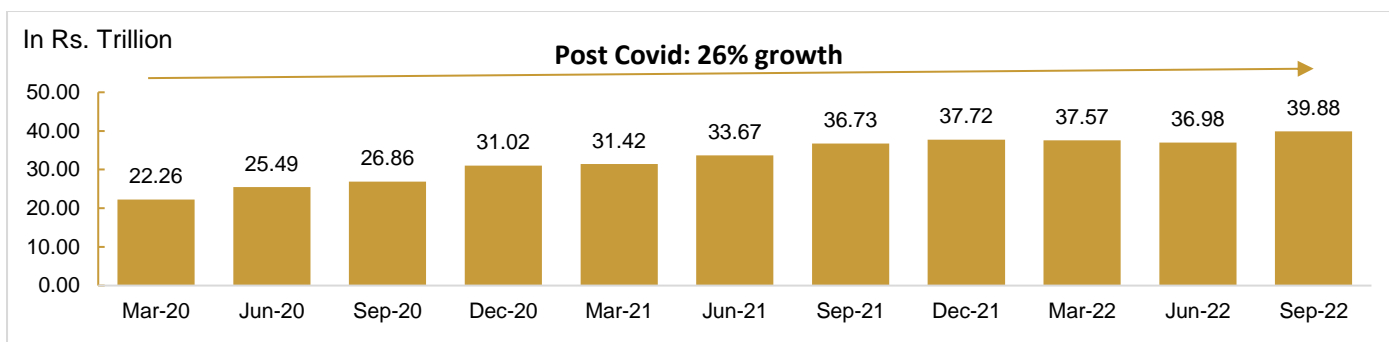
### Pre- COVID-19 impact

Aggregate industry AUM grew by 13% pre-COVID-19 pandemic to ₹ 26.54 trillion as of December 31, 2019, from ₹ 22.83 trillion as of December 31, 2018, driven by rising popularity of and inflows from SIPs. Further, the institutional investor increased their exposures in debt funds leading to rise in AUM of mutual fund industry. However, the industry AUM declined between December 2019 and March 2020, owing to change in risk perception of the economy, following the outbreak of COVID -19 pandemic. As at end of March 2020, the industry AUM dipped to ₹ 22.26 trillion owing to outflows from Debt and Hybrid schemes and MTM losses due to fall in equity markets.

### Post- COVID-19 impact

Aggregate industry AUM grew approximately 26% post-COVID-19 pandemic to ₹ 39.88 trillion as of September 30, 2022, from ₹ 22.26 trillion as of March 31, 2020. This was primarily driven by recovery in capital market post the COVID-19 pandemic, increased penetration of beyond top 30 (“B30”) cities and rising popularity of SIPs as an investment vehicle. The gains came despite a sharp fall of 16.12% between January 2020 and March 2020 due to worries over the COVID-19 pandemic and nationwide lockdown. The COVID -19 crisis did not impact the sentiments of retail investors and they continued to invest via SIP route as the new SIP inflows touched record highs of ₹ 86 billion in March 2020. Further, SIP inflows increased and touched newer high of ₹ 91 billion and ₹ 123 billion in March 2021 and 2022, respectively. In September 2022, the SIP inflows reached ₹ 129.8 billion.

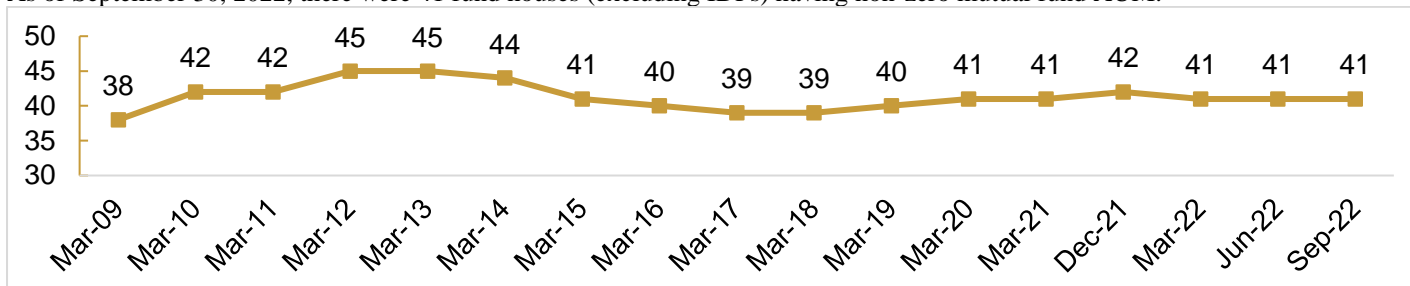
### AUM over the past few quarters



Note: Data include net month-end AUMs, AUM excluding fund of funds – domestic but including fund of funds – overseas; Source: AMFI, CRISIL MI&A

### Number of fund houses and investor services providers

As of September 30, 2022, there were 41 fund houses (excluding IDFs) having non-zero mutual fund AUM.

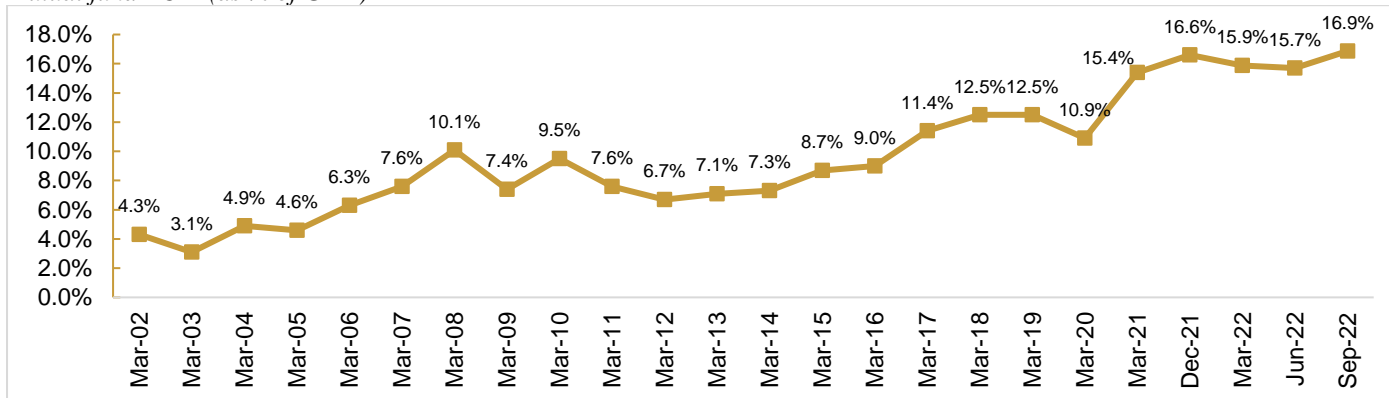


Note: Excluding IDFs; Source: AMFI, CRISIL MI&A

### Mutual fund penetration

Mutual fund assets in India have seen robust growth, especially in recent years, driven by a growing investor base. 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. Although mutual fund AUM as a percentage of GDP grew from 4.3% in Fiscal 2002 to approximately 16.9% at end of September 2022, penetration levels remained well below those in other developed and fast-growing peers.

#### Mutual fund AUM (as % of GDP)



Note: Based on end of Fiscal AUM and GDP at current prices; Source: AMFI, IMF, RBI, CRISIL MI&A

Under penetration of mutual funds in India and an opportunity to earn annuity income once the fund builds up a good book of assets are the main attractions for many players to foray into the mutual fund business. This has caused 11 houses to apply for mutual fund license, out of which some players like Navi Asset Management Company, NJ Asset Management Private Limited, White Oak Capital Asset Management (acquired Yes Mutual Fund) and Samco Asset Management have already rolled out their mutual fund business. Other players such as Bajaj Finserv, Frontline Capital Services, Zerodha Securities and Helios Capital Management have also received in-principle approval from SEBI for setting up a mutual fund business.

Names of new MFs since Fiscal 2017	RTA Name
Helios Capital Management PTE Limited	NA
Zerodha Asset Management Private Limited	CAMS
Frontline Capital Services Limited	KFintech
Bajaj Finserv	KFintech
NJ Mutual Fund	KFintech

<b>Samco Mutual Fund</b>	KFintech
<b>ITI Mutual Fund</b>	KFintech
<b>Trust Mutual Fund</b>	KFintech
<b>Quant Mutual Fund</b>	KFintech
<b>Yes Mutual Fund (now White Oak Capital)</b>	CAMS
<b>Mahindra Mutual Fund</b>	CAMS

Note: Players are arranged in order of launch date (recent to old); Helios Capital Management PTE Limited has not yet appointed an RTA for their operations as of September 30, 2022; NA – Not available, Source: Company Reports, AMFI, CRISIL MI&A

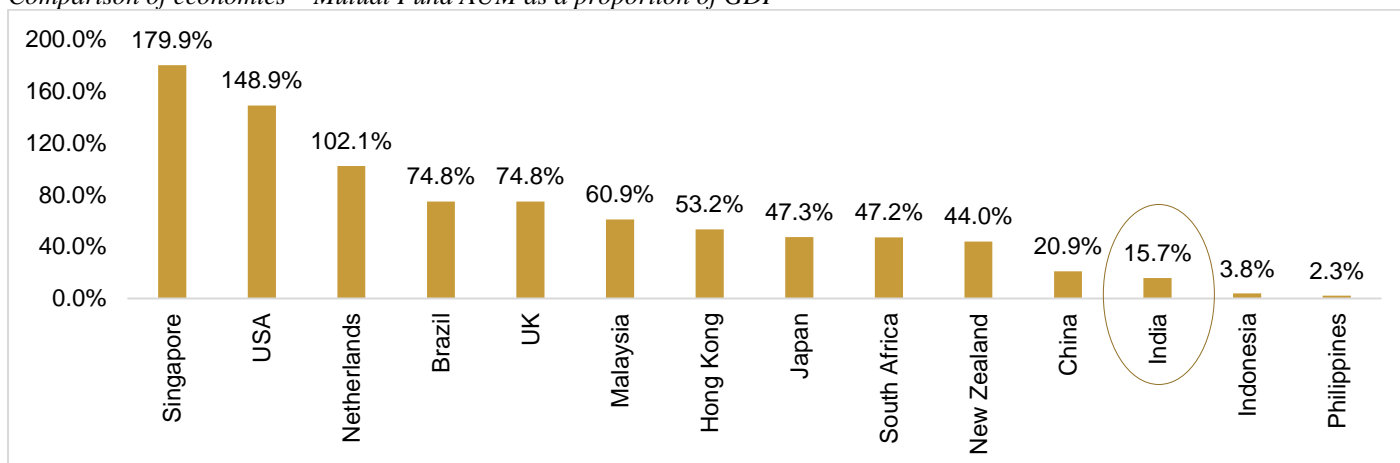
Further, there are six mutual fund license applications under consideration by SEBI as of September 30, 2022:

1. Wizemarkets Analytics Private Limited
2. Unifi Capital Private Limited
3. Alchemy Capital Management Private Limited
4. Old Bridge Capital Management Private Limited
5. Angel One Limited
6. Phonepe Private Limited

### Indian mutual fund market is underpenetrated compared to other economies

India's mutual fund penetration (AUM-to-GDP) is significantly lower at 15.9% as of March 2022, compared to the world average of 75%; and lower than many developed economies such as the U.S. at 148.9% and the United Kingdom ("U.K.") at 74.8%. In Southeast Asian countries and Hong Kong, Singapore has the highest mutual fund penetration of 179.9% whereas Indonesia and Philippines have the lowest mutual fund penetration of 3.8% and 2.3%, respectively.

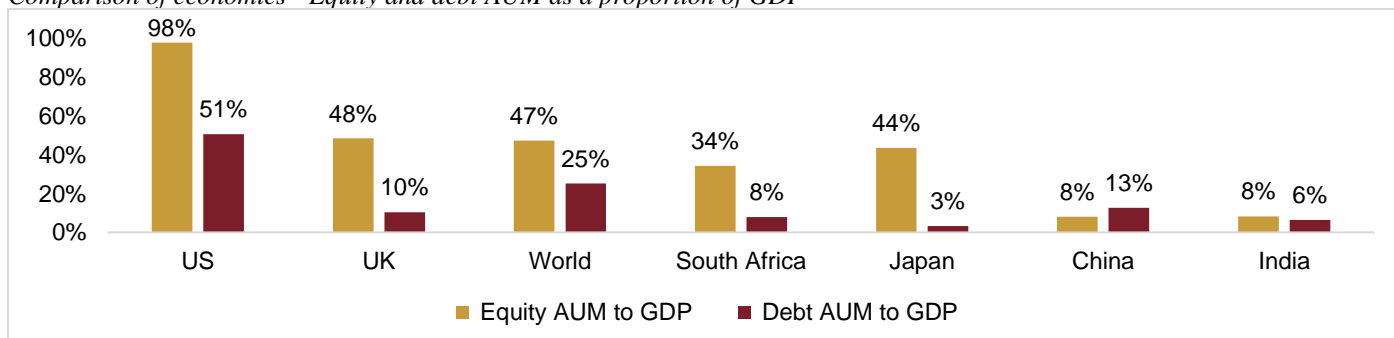
Comparison of economies – Mutual Fund AUM as a proportion of GDP



Note: Above charts represent AUM-to-GDP ratio; Nominal GDP and AUM data of USA, Netherlands, Brazil, UK, Japan, South Africa, New Zealand, China, Malaysia, Hong Kong and Indonesia and Philippines has been taken as of December 31, 2021. Nominal GDP and AUM data of Singapore has been taken as at December 31, 2020. Nominal GDP and AUM of India has been taken for June 2022. Open-ended funds excluding fund of funds have been considered in the first chart, GDP of all the countries is based on current prices estimation by IMF in World Economic Outlook of July 2022; Source: IMF, IIFA, Monetary Authority of Singapore ("MAS"), Hong Kong Investment Fund Association, Securities Commission Malaysia, Association of Investment Management Companies (Thailand), Financial Services Authority of Indonesia, CRISIL MI&A

The ratio of the equity mutual fund AUM-to-GDP in India is considerably low at 8% compared with 98% in the US, 48% in UK, 44% in Japan, and 34% in South Africa at end of calendar year 2021.

Comparison of economies - Equity and debt AUM as a proportion of GDP



Note: AUM data as of fourth quarter of calendar year 2021; only open-ended funds have been considered; guaranteed/protected, real estate funds and other funds have not been considered. Equity AUM include equity and balanced whereas debt AUM includes

bond and money market; GDP is based on current prices estimation by IMF; Source: IMF, IIFA, CRISIL MI&A

### Share of top five AMC's in overall AUM, continued to rise till March 2021; however, witnessed decline till March 2022 period

The mutual fund industry has been witnessing a strong growth. Within the mutual fund industry, in terms of overall AUM, the top five AMC's, which have a well-established business franchise with entrenched distribution and strong brand equity, continued to increase their market share from 48.7% in March 2016 to 57.0% till March 2021. This has come at the cost of other AMC's, cumulatively losing their share from 51.3% in March 2016 to 43.0% in March 2021.

However, the market share for the top five players decreased by 160 bps to 55.4% in March 2022. Therefore, the share of other AMC's increased to 44.6% in March 2022. At the end of September 2022, the share of top 5 AMC's stood at 55.1%, down from 56.2% at end of September 2021.

Share of top five AMC's (in terms of overall AUM) increased from 48.7% in March 2016 to approximately 55.1% in September 2022

AMCs	March 2016	March 2017	March 2018	March 2019	March 2020	March 2021	September 2021	March 2022	September 2022
<b>Top five AMC's</b>	48.7%	50.5%	51.9%	54.9%	56.5%	57.0%	56.2%	55.4%	55.1%
<b>Rest of the Industry</b>	51.3%	49.5%	48.1%	45.1%	43.5%	43.0%	43.8%	44.6%	44.9%

Note: Market Share is basis Quarterly Average AUMs, Top 5 AMC's are based on Overall AUMs at end of Fiscal 2022; Source: AMFI, CRISIL MI&A

In terms of overall equity AUM, the rest of the industry, namely AMC's beyond top five in terms of overall AUM, have grown at a CAGR of 28.6% between March 2016 and September 2022 as compared to top five AMC's, that witnessed a faster CAGR of 31.1% between the same time period. This has led to an increase in the share of equity AUM for 'top five AMC's' to 49.5% as of September 30, 2022, from 46.4% as of March 31, 2016.

Share of equity AUM for top five AMC's continues to grow between March 2016 and March 2022

AMCs	March 2016	March 2017	March 2018	March 2019	March 2020	March 2021	March 2022	September 2022
<b>Top five AMC's</b>	46.4%	48.6%	48.2%	47.8%	47.0%	45.6%	45.2%	49.5%
<b>Rest of the Industry</b>	53.6%	51.4%	51.8%	52.2%	53.0%	54.4%	54.8%	50.5%

Note: Market Share is basis Quarterly Average AUMs, Top 5 AMC's are based on Overall AUMs at end of Fiscal 2022; Source: AMFI, CRISIL MI&A

Growth of rest of the industry (in terms of Equity AUM) marginally outpaced top five AMC's in Fiscal 2022

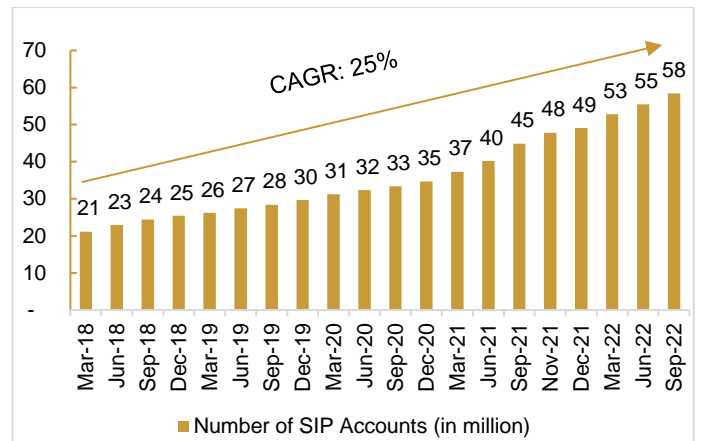
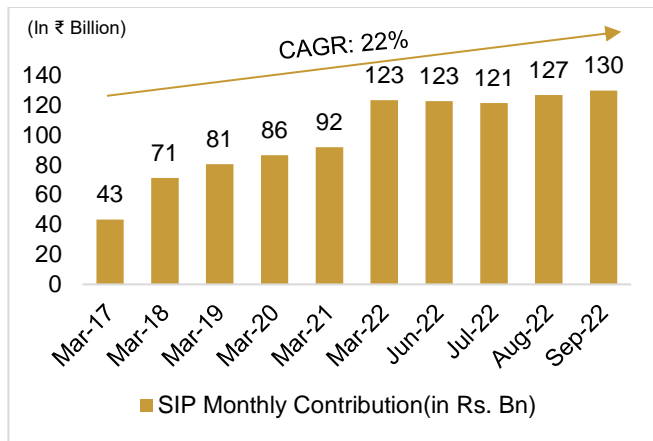
AMCs	March 2017	March 2018	March 2019	March 2020	March 2021	March 2022	September 2022*
<b>Top five AMC's</b>	46%	42%	13%	-4%	40%	33%	39%
<b>Rest of the Industry</b>	33%	45%	15%	-2%	48%	35%	17%

Note: \* Growth for September 2022 is over March 2022 AUM, Source: AMFI, CRISIL MI&A

### SIPs

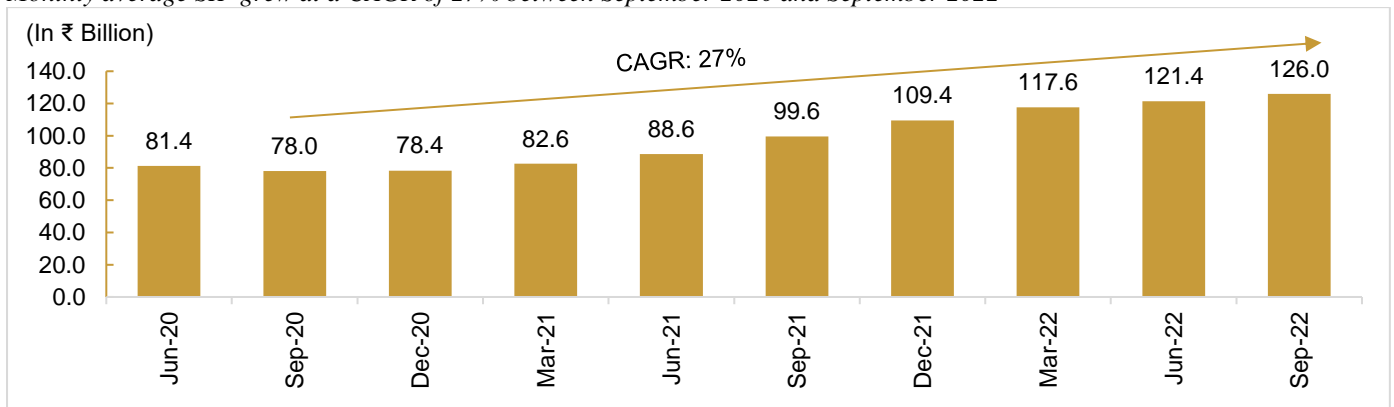
SIPs have helped further retail investor participation in the mutual fund space. Several benefits accrue from SIPs, such as avoidance of behavioral weakness during uncertain periods, aggregation of a high number of small amounts of investments, and certain tax incentives for investors. SIPs have helped grow, diversify net inflow and reduce volatility in the aggregate inflows. Monthly inflows through SIP have steadily increased, from approximately ₹ 43 billion in March 2017 to approximately ₹ 127 billion and ₹ 130 billion in August 2022 and September 2022, respectively. The number of SIP accounts increased from 21.10 million as of March 2018 to 58.38 million as of September 2022. Popularity of equity funds, rising participation of investors, recent investor education initiatives, and apparent benefits of SIPs to households that traditionally did not invest in mutual funds indicate that growth in inflows from SIPs is expected to accelerate over the foreseeable future. This is expected to make SIPs an increasingly important component in overall AUM growth.

Monthly SIP grew at CAGR of 22% between March 2017 and September 2022 Quarterly number of outstanding accounts for SIP



Source: AMFI, CRISIL MI&A

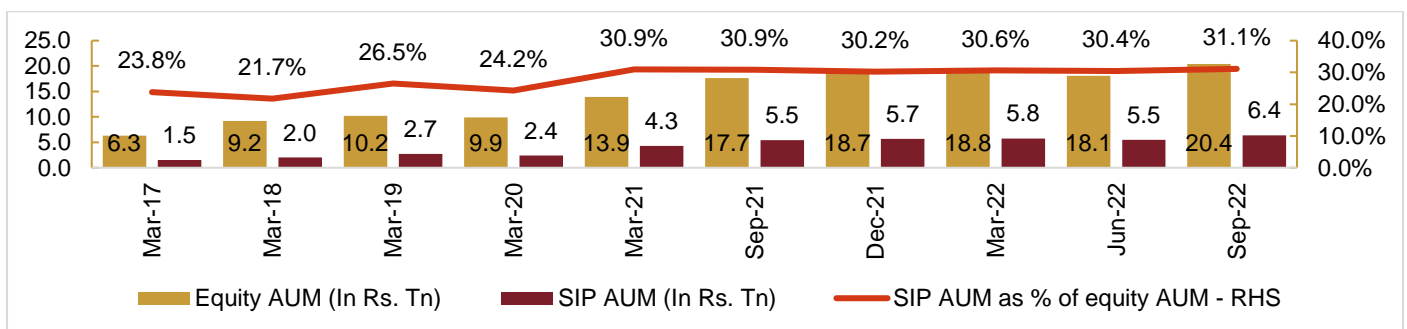
Monthly average SIP grew at a CAGR of 27% between September 2020 and September 2022



Note: Data represents monthly average SIP on a quarterly basis, Source: AMFI, CRISIL MI&A

### SIP AUM as a proportion of equity AUM

The aggregate monthly average equity AUM rose from ₹ 6.28 trillion as of March 2017 to ₹ 20.4 trillion as of September 2022, thereby clocking a CAGR of 24%, whereas SIP AUM during the same period increased from ₹ 1.49 trillion to ₹ 6.35 trillion, thereby growing at a CAGR of 30%. The SIP AUM as % of equity AUM has also increased to 31.1% as of September 2022 from 23.8% as of March 2017.



Notes: (1) Equity includes equity funds, equity-lined saving scheme (“ELSS”), index funds, solution-oriented funds, and balanced funds, (2) Equity AUM is based on closing monthly numbers, (3) SIP inflows numbers represent total SIP inflows including debt; Source: AMFI, CRISIL MI&A

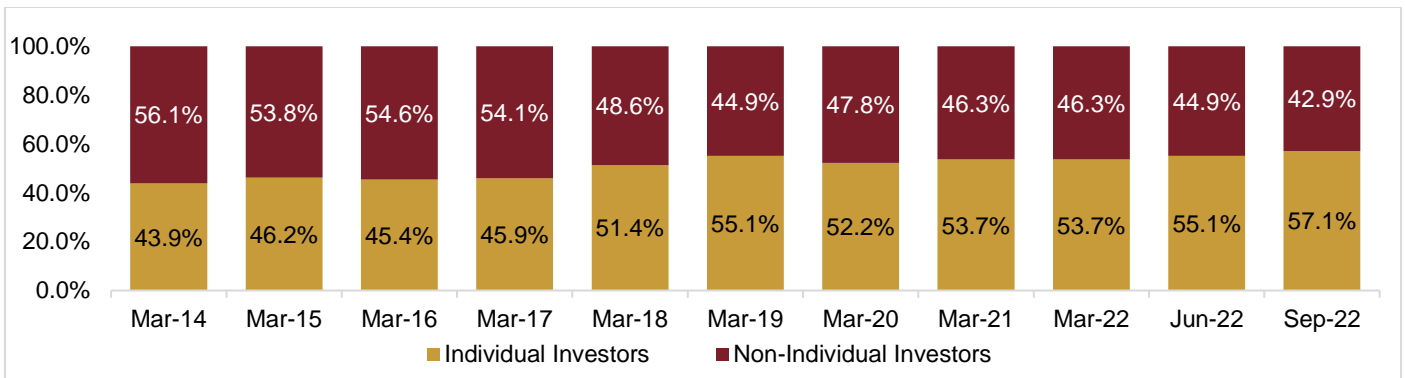
### Investor profile of the industry

#### Individuals outpace institutional investors in terms of AUM

Historically, majority of the industry’s assets were held by institutional investors, mainly corporates. However, the share of institutional investors, corporates, banks / financial institutions (“FIs”) and foreign institutional investors (“FIIs”) / foreign portfolio investors (“FPIs”) has gradually declined from 56.1% as of March 2014 to 42.9% as of September 2022. This is because, while institutional AUM grew at approximately 15% CAGR over the period, individual AUM saw a faster trajectory of 23% CAGR on the back of rising participation, especially in equity funds.

#### Share of AUM by investor classification

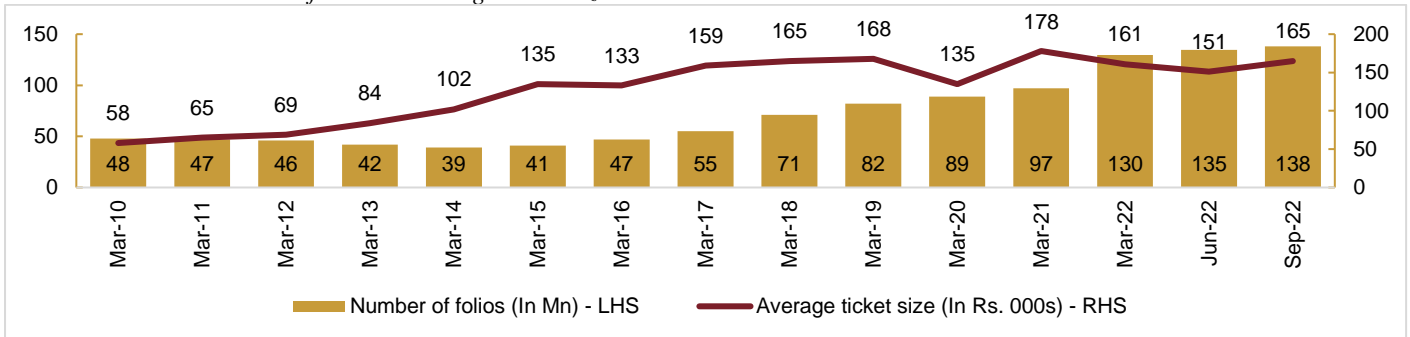




Notes: (1) Average monthly AUM for the period considered, (2) Individual investors include retail and high net worth individuals (“HNI”) investors. Institutional investors include corporates, banks/FIs, and FII / FPIs; Source: AMFI, CRISIL MI&A

The mutual fund 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 2016 and September 2022, the industry’s folios increased by approximately 91 million to 138 million, at a CAGR of approximately 18%, driven almost entirely by individual investors, namely, retail and HNIs. Further, the average ticket size increased from ₹ 133,000 as on March 31, 2016, to ₹ 165,000 as of September 30, 2022.

*Trend in individual investor folio and average ticket size*



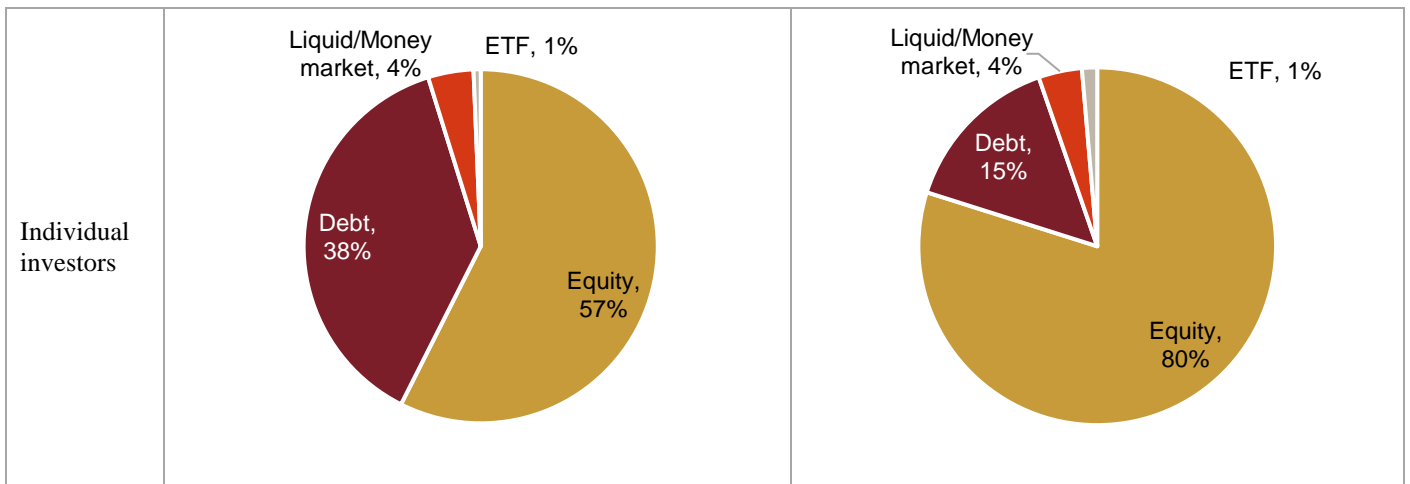
Note: Number of folios as on end of Fiscal. Average ticket size is calculated as outstanding AUM divided by number of folios; Source: AMFI, CRISIL MI&A

*Individual investors highly concentrated in equity funds*

As of September 30, 2022, 80% of individual investors’ AUM was invested in equity-oriented funds, up from 57% in March 2016. This was because of a sharp reduction in debt-oriented funds as a result of the Infrastructure Leasing and Financial Services (IL&FS) default and the ensuing NBFC crisis, relative outperformance of equities over other asset classes, and higher push of equity products by AMCs and distributors owing to their relatively higher profitability and expense ratios. The NBFC crisis started with IL&FS falling short on cash and defaulting on several of its obligations, which jeopardized number of investors, banks and mutual funds associated with IL&FS and sparked a panic among the investors. There were fears that this would turn out to be a contagion and many institutions refused to give money to NBFCs, resulting in a dearth of funds for the NBFCs. This choked the flow of credit into the system and hit the consumption demand in the economy. The proportion of ETF and equity-oriented funds have risen for institutional investors as well. The rise in the ETF category is also due to investment of 15% of the employees’ provident fund organization’s (“EPFO”) fresh accretion into equity ETFs by its fund managers.

*Equity is leading in case of retail and growing its preference with institutional investors along with ETF*

Investor category	March 2016	September 2022



Notes: (1) As per AUM as on end of the Fiscal, (2) Equity includes equity funds, ELSS, index funds, solution-oriented funds, and balanced funds. Debt funds include gilt, income, conservative hybrid, floater funds, and fund of funds (“FoFs”) investing overseas. ETF includes gold ETFs and other ETFs, Liquid/ money market includes liquid funds, overnight funds, and money market funds. Source: AMFI, CRISIL MI&A

**Investor segment and asset class-wise historical AUM distribution**

Historically, retail investors have largely invested in equity-oriented funds while HNIs have actively managed allocations across debt and equity funds. Over the last few years, the exposure of both these categories of investors in equity assets has been rising with proportion of equity for individuals rising to 80% in September 2022 from 57% in March 2016.

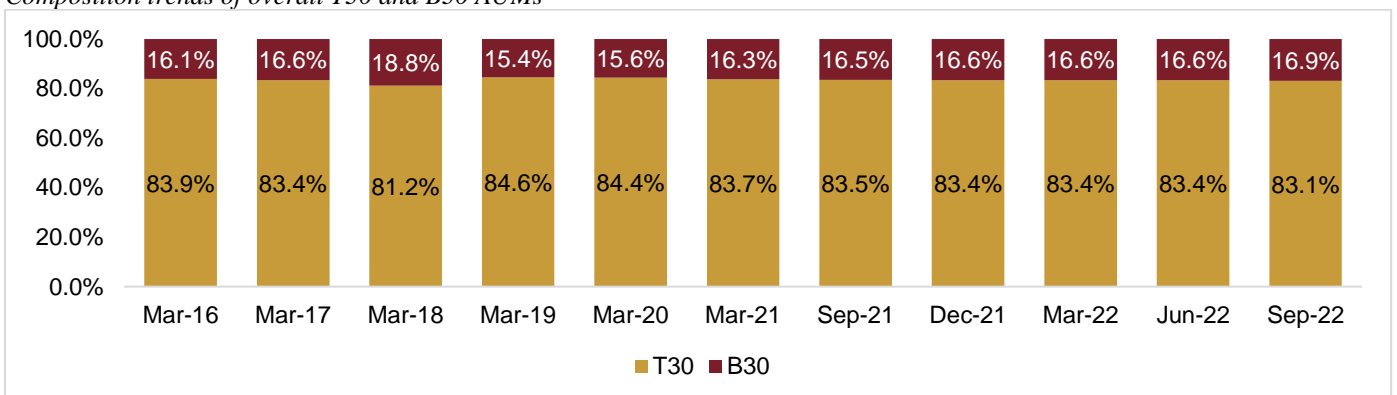
For institutional investors, the proportion of equity has risen from 9% at end of March 2016 to 13% at end of September 2022. Among institutional investors, banks and FIs majorly invest in liquid /money market-oriented funds. Investments by corporate investors are spread largely across debt and liquid / money market-oriented funds. FIIs/ FPIs have investments primarily spread across debt and equity-oriented funds. Investments by FIIs / FPIs in equity assets have swelled as a proportion of total mutual fund assets. Corporates and banks/FIs have been increasing exposure to ETFs in recent years.

**Importance of the presence of AMCs in B30 markets**

At end of September 2022, the monthly average AUMs in the top 30 (“T30”) cities stood at ₹ 33.14 trillion compared with ₹ 6.73 trillion for B30 cities as per AMFI data. In 2018, SEBI reclassified top 15 (“T15”) and beyond the top 15 (“B15”) as T30 and B30, respectively, to encompass a wider set of cities that have lower penetration after seeing the share of B15 cities improve regularly in previous years.

According to AMFI, the share of T30 AUM, as a proportion of aggregate industry AUM, decreased to 83.1% in September 2022 from 84.6% in March 2019. Conversely, the share of B30 AUM increased to 16.9% from 15.4% over the same period, illustrating the rising importance of higher-growth B30 cities. Between March 2019 and September 2022, the AUM in B30 cities has increased at a faster CAGR of approximately 17.8% as compared to approximately 14.3% for T30 cities.

**Composition trends of overall T30 and B30 AUMs**



Note: Based on month end AUMs; Data for March 2016, 2017, and 2018 represents T15 and B15 cities; Source: AMFI, CRISIL MI&A

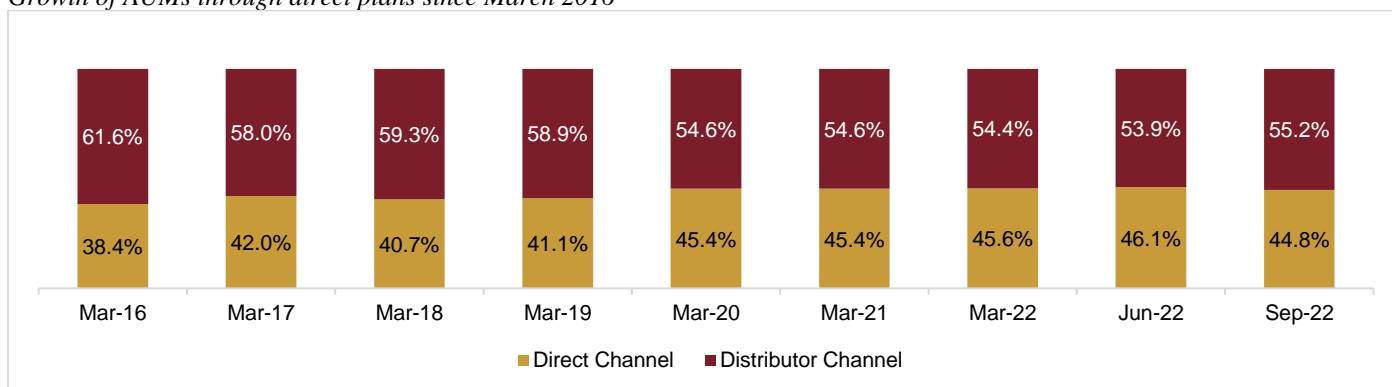
**Investment channels**

**Direct route becoming more important**

In September 2012, SEBI mandated mutual fund houses to offer products through the direct route alongside distributors. Asset

managers launched a slew of direct plan offerings from January 2013. Consequently, AUMs of direct plans grew at CAGR of 21% between March 2016 and September 2022. At ₹ 17.88 trillion, AUMs under direct plans now represent 44.8% of aggregate industry AUM, up from 38.4% share as of March 2016.

#### Growth of AUMs through direct plans since March 2016



Note: Based on monthly average AUM; Source: AMFI, CRISIL MI&A

Going forward, CRISIL expects increasing investor awareness and integration of user interfaces through digital channels to lead to further growth in direct plan AUMs. Direct plans offer the benefit of lower expense ratios to investors compared with regular plans. They also allow AMCs to directly connect with investors without depending on intermediaries.

#### Regular plans as compared to direct plans

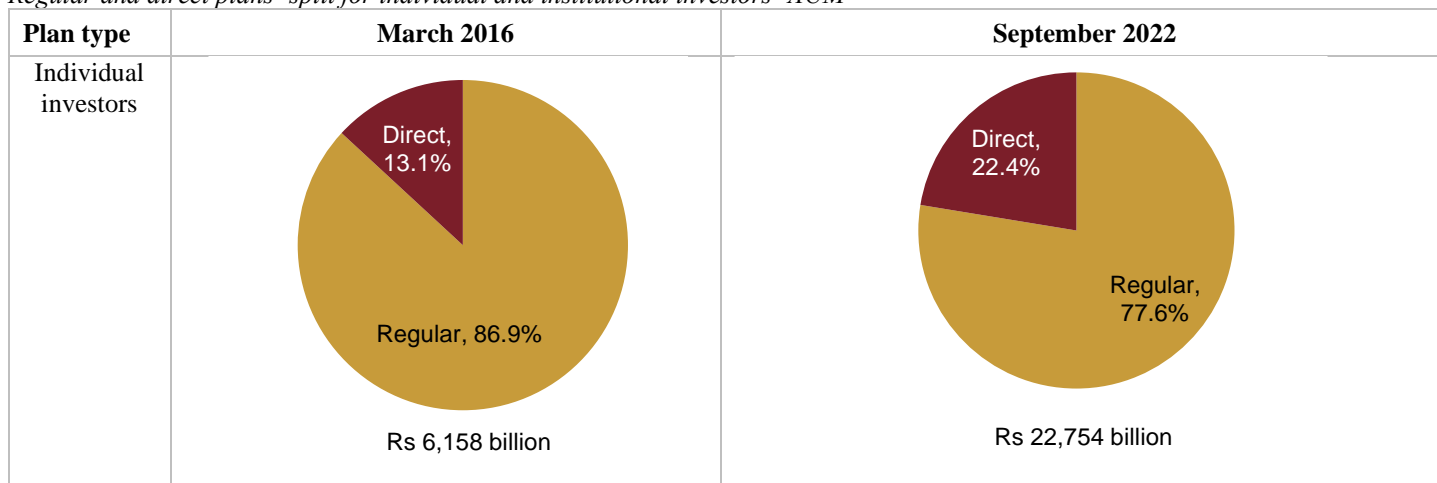
As of September 2022, institutional investors accounted for approximately 74.6% of aggregate direct plan monthly average AUMs (up from 59.4% on March 31, 2016) as compared to 22.4% for individual investors (up from 13.1% as of March 31, 2016). The rising popularity of direct plans among individual investors has attributed to various campaigns and investor education initiatives undertaken by the mutual industry. CRISIL believes that the share of direct plan will gradually increase on account of investors looking to reduce costs as compared to investing through regular plans.

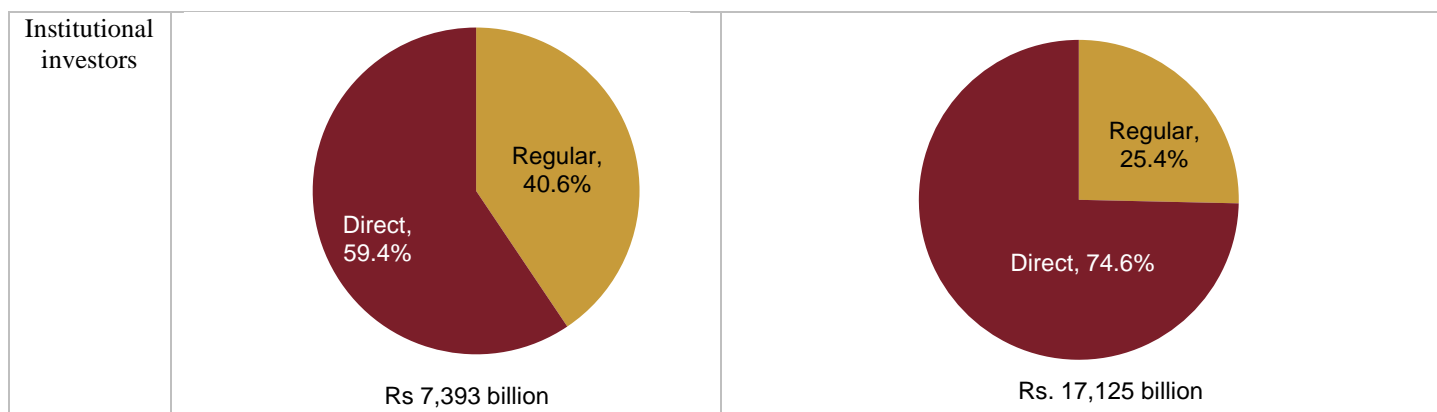
#### Regular and direct plans' split for individual and institutional investors' AUM (₹ billion)

(₹ Billion)	Mar-16				Sep-22			
	Regular plans	Direct plans	Total	Mix of direct plan in total AUM	Regular plans	Direct plans	Total	Mix of direct plan in total AUM
Individual investors	5,350	808	6,158	13.1%	17,654	5,101	22,754	22.4%
Institutional investors	3,000	4,393	7,393	59.4%	4,342	12,784	17,125	74.6%
<b>Total</b>	<b>8,350</b>	<b>5,201</b>	<b>13,551</b>	<b>38.4%</b>	<b>21,995</b>	<b>17,884</b>	<b>39,880</b>	<b>44.8%</b>

Note: Based on monthly average AUM. Source: AMFI, CRISIL MI&A

#### Regular and direct plans' split for individual and institutional investors' AUM





Note: Based on monthly average AUM. Source: AMFI, CRISIL MI&A

As of September 30, 2022, regular plans accounted for a higher share of B30 assets (79%) and constituted the majority of aggregate equity AUM. In the past, AMC's incurred additional distribution costs to on-board retail customers, thereby leading to increased spending on infrastructure and marketing capabilities. However, with rise of fintechs, the reach has become easier without major spend on traditional brick and mortar model. As a result, CRISIL believes that AMC's with more focus towards technology and robust presence in B30 markets are well-placed to penetrate these markets more profitably.

### Expense ratios

Expense ratios have declined noticeably across the industry over the past given years, owing to increasingly stringent regulations by SEBI, rising competition among managers, and availability of alternative investments. Management fees, and distributor commissions have been declining as well, driven in part by an increased use of technology, improving efficiency of employees, and expense ratio regulations issued by SEBI. As managers are increasing in size, economies of scale are beginning to show in declining expense ratios. As fee increases are not proportionate to AUM growth, average expense ratios have shrunk over the years. Further, direct plans have significantly lower expense ratio compared to regular plans as distribution and brokerage expenses are not applicable in direct plans.

Average expense ratios for various type of schemes as of September 2022 (%)

Category	Regular	Direct
Aggressive hybrid fund	2.14	0.94
Arbitrage fund	1.03	0.37
Banking and PSU fund	0.68	0.30
Conservative hybrid fund	1.77	0.88
Corporate bond fund	0.70	0.30
Credit risk fund	1.39	0.76
Dynamic bond fund	1.29	0.57
ELSS	2.02	1.07
Focused fund	2.18	0.86
Large- and mid-cap fund	2.14	0.91
Large cap fund	2.20	1.05
Mid-cap fund	2.11	0.87
Multi-cap fund	2.00	0.68
Small-cap fund	1.97	0.75
Value / contra fund	2.18	1.09

Note: Average expense ratio; funds ranked under CRISIL Mutual Fund Ranking are considered for each category  
Source: Monthly portfolio disclosures by AMC's, CRISIL MI&A

As per CRISIL MI&A, India follows a bundled expense ratio structure wherein various commission expenses are embedded in the expense ratios of the funds. Other than these expenses, the investors do not bear any additional cost such as platform fees or advisory fees. Funds in India are not allowed to charge performance fees. Thus, in direct comparison, the expense ratios may appear higher, but they are bundled and have no other costs attached. Mostly, retail investors invest in actively managed funds and passive flows are from institutional investors. Thus, the Indian market, though small, is a fast-growing one. The market comprises high retail participation unlike global peers where larger institutions are the major investors in funds.

### Outlook for the Indian Mutual Funds Industry

AUM to sustain double-digit pace between Fiscals 2022 and 2027

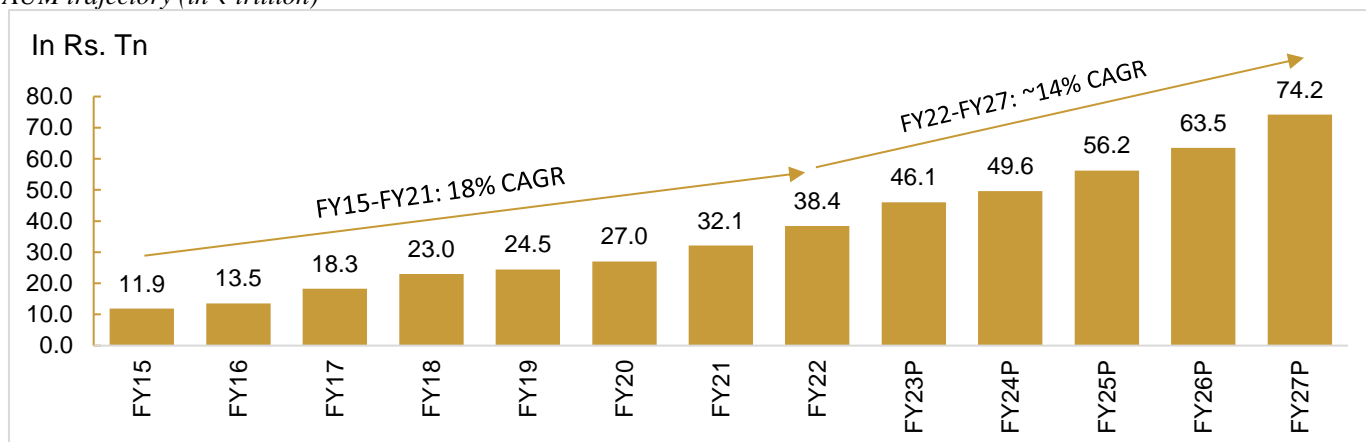
In the long term, i.e., between Fiscals 2022 and 2027, the overall industry's AUM is projected to sustain a high growth trajectory of ~14% CAGR, reaching approximately ₹ 74 trillion. This growth in the mutual fund industry is expected to be driven by:

- Pick-up in corporate earnings following stronger economic growth
- Higher disposable income and investable household surplus

- Increase in aggregate household and financial savings
- Deeper regional penetration as well as better awareness of mutual funds as an investment vehicle
- Continuous improvement in ease of investing, with technological innovations and expanding internet footprint
- Perception of mutual funds as long-term wealth creators, driven in part by initiatives like ‘Mutual Fund Sahi Hai’ campaign

The announcement in the Indian Union Budget 2021-22 of taxing contributions over ₹ 250,000 per annum in unit-linked insurance plans, which is in-line with equity mutual funds, is also expected to partly aid inflows into mutual funds.

#### AUM trajectory (in ₹ trillion)



Note: E: Estimated, P: Projected; AUM is the average of last quarter for each Fiscal, AUM excluding FoFs – domestic but including FoFs– overseas; Source: AMFI, CRISIL MI&A

#### Category-wise growth - March 2015 to Sept 2022

The industry’s aggregate QAAUM<sup>1</sup> grew at 17.2% CAGR over March 2015 to September 2022, to reach ₹ 39.05 trillion. This was driven by increasing aggregate financial savings combined with growing investor awareness of mutual fund products. However, AUM in the last quarter of Fiscal 2020 fell on account of the nationwide lockdown due to COVID-19 pandemic and corresponding fall in capital market indices. Between March 2015 and September 2022, ETFs posted the highest growth to reach ₹ 4.61 trillion, with assets swelling at a CAGR of approximately 59.3% over a low base. Institutional investors, such as the EPFO, began investing a portion (currently approximately 15%) of their fresh accretion/incremental deposits into equities through passively managed funds. CRISIL expects this industry trend to sustain in the long term.

QAAUM of equity-oriented funds grew at a CAGR of 26.0% as of September 2022, to ₹ 20.69 trillion, while debt-oriented funds rose a noticeably lower at a CAGR of 2.7%, largely because of the IL&FS default and the ensuing NBFC crisis. These events, and the subsequent Franklin Templeton episode of shutdown of six credit risk schemes, had a negative impact on investor confidence in debt instruments. However, as the effects of the COVID-19 pandemic subside, investor appetite for debt is expected to return. Meanwhile, QAAUM of liquid/ money market funds logged a CAGR of 13.7% between March 2015 to September 2022, supported by corporate investments, stable returns, and re-allocation from long-term debt instruments.

#### AUM growth trajectory across categories

Categories (₹ Trillion)	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Jun-22	Sept-22	Mar-15 to Sept-22 CAGR
Equity	3.65	4.18	5.93	9.58	10.21	11.31	13.55	19.17	19.32	20.69	26.0%
Debt	5.31	5.88	7.99	8.13	7.15	7.97	10.22	8.04	7.07	6.50	2.7%
Liquid/Money Market	2.77	3.27	3.94	4.56	5.92	5.96	5.54	7.04	7.10	7.24	13.7%
ETF	0.14	0.19	0.43	0.76	1.19	1.81	2.88	4.13	4.25	4.61	59.3%
<b>Total</b>	<b>11.88</b>	<b>13.52</b>	<b>18.28</b>	<b>23.03</b>	<b>24.46</b>	<b>27.04</b>	<b>32.11</b>	<b>38.38</b>	<b>37.75</b>	<b>39.05</b>	<b>17.2%</b>

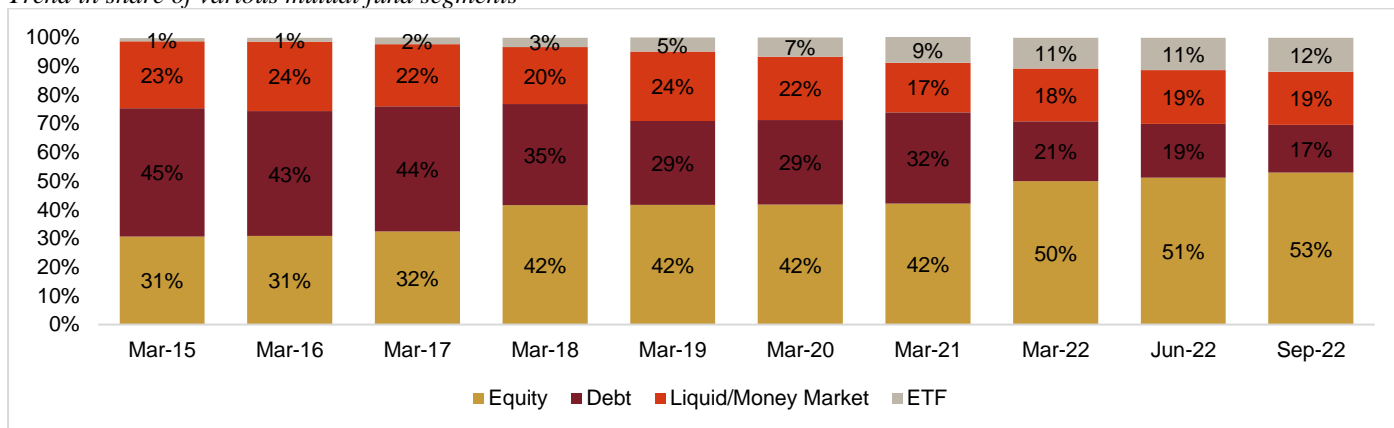
Notes: (1) Equity includes equity funds, ELSS, index funds, solution-oriented funds, and balanced funds. Debt funds include gilt, income, conservative hybrid, floater funds, and FoFs investing overseas. ETF includes gold ETFs and other ETFs. Liquid/ money market includes liquid funds, overnight funds, and money market funds, (2) Segment-wise AUM data is available since March 2015 with AMFI, (3) Quarter average AUM excludes IDFs; Source: AMFI, CRISIL MI&A

Category-wise, the share of equity funds rose from 31% as of March 2015 to 53% as of September 2022, led by sharp rise in inflows through the SIP route and mark-to-market (“MTM”) gains in the underlying stocks. The other big gainer was the ETF segment, which expand from a marginal 1% to 12% during the period, supported by institutional investing, especially by the EPFO. In contrast, the share of the debt fund category decreased to 17% as of September 2022 from 45% in the March quarter of Fiscal 2015

<sup>1</sup> Quarterly Average Assets Under Management (QAAUM)

as the Franklin Templeton episode snowballed into large scale redemptions across debt funds. The average AUM share of liquid and money market funds also declined, from 23% as of March 2015 to 19% as of September 2022, as the category lost out on the amortization benefit after being MTM, and as investors chased higher yields in short maturity debt funds.

**Trend in share of various mutual fund segments**

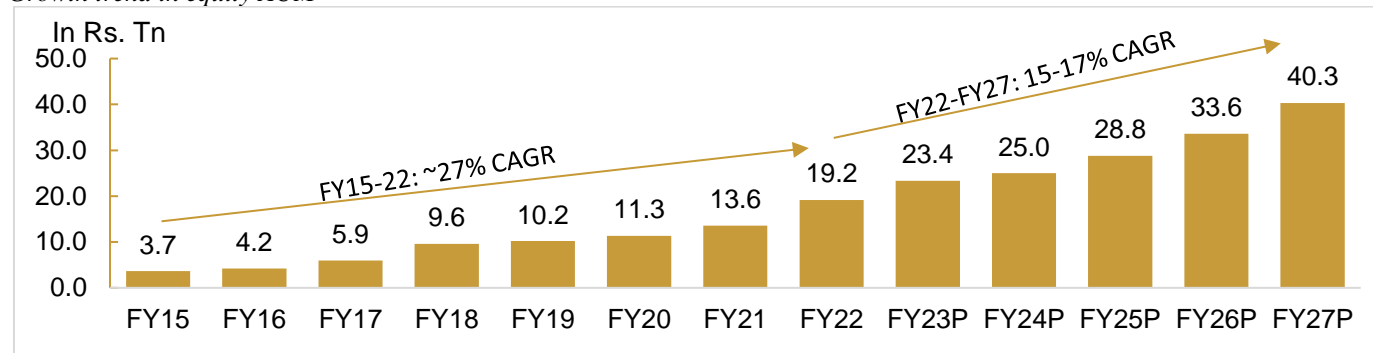


Notes: (1) Equity includes equity funds, ELSS, index funds, solution-oriented funds, and balanced funds. Debt funds include gilt, income, conservative hybrid, floater funds, and FoFs investing overseas. ETF includes gold ETFs and other ETFs. Liquid/ money market includes liquid funds, overnight funds, and money market funds, (2) Segment-wise AUM data is available since March 2015 with AMFI, (3) Quarter average AUM excludes IDFs; Source: AMFI, CRISIL MI&A

**Category wise growth outlook**

Equity AUM grew approximately 20% in Fiscal 2021 due to higher MTM gains. In Fiscal 2022, equity AUM grew by 42% to reach ₹ 19.2 trillion. CRISIL expects the Equity AUM to grow at 15-17% CAGR, the second fastest growth amongst all MF categories, over March 2022 to March 2027.

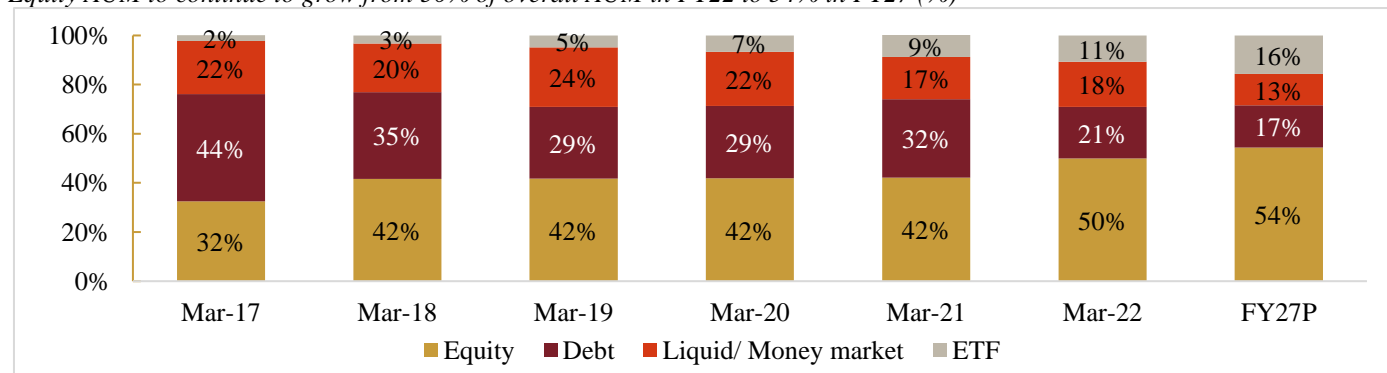
**Growth trend in equity AUM**



Note: E: Estimated, P: Projected, As per quarterly average AUM; equity includes equity funds, ELSS, index funds, solution-oriented funds and balanced funds AUM excluding Fund of Funds – Domestic but including Fund of Funds – Overseas; Source: AMFI, CRISIL MI&A

In FY22, AUM of debt mutual fund declined drastically on account of corporates pulling out funds to pay off their liabilities at the end of financial year along with rising inflation and expected increase in interest rates. Over March 2022 to March 2027, CRISIL expects the segment to grow at 9-10% CAGR on the back of economic recovery and improving business outlook. Liquid/money market funds grew by 27% in Fiscal 2022. CRISIL expects the segment to grow at approximately 6-7% CAGR between March 2022 to March 2027. CRISIL also expects ETFs to grow at approximately 23% CAGR over March 2022 to March 2027.

**Equity AUM to continue to grow from 50% of overall AUM in FY22 to 54% in FY27 (%)**



Note: P: Projected, the data is as per quarterly average AUM. Equity includes equity funds, ELSS, index funds, solution-oriented

funds, and balanced funds. Debt funds include gilt, income, conservative hybrid, floater funds, and FoFs investing overseas. ETF includes gold ETFs and other ETFs. Liquid/ money market includes liquid funds, overnight funds, and money market funds. Source: AMFI, CRISIL MI&A

Trend in AUM as well as growth across mutual fund segments till March 2027 (₹ trillion)

	Mar-20	Mar-21	Mar-22	YoY growth (Mar 20-Mar 21)	YoY growth (Mar 21-Mar 22)	Mar-27P	CAGR (FY22-27)
<b>Equity</b>	11.31	13.55	19.17	19.8%	42%	40.3	16.0%
<b>Debt</b>	7.97	10.22	8.04	28.2%	-21%	12.8	9.7%
<b>Liquid / Money</b>	5.96	5.54	7.04	-7%	27%	9.5	6.2%
<b>ETFs</b>	1.81	2.88	4.13	59.1%	43%	11.6	22.9%

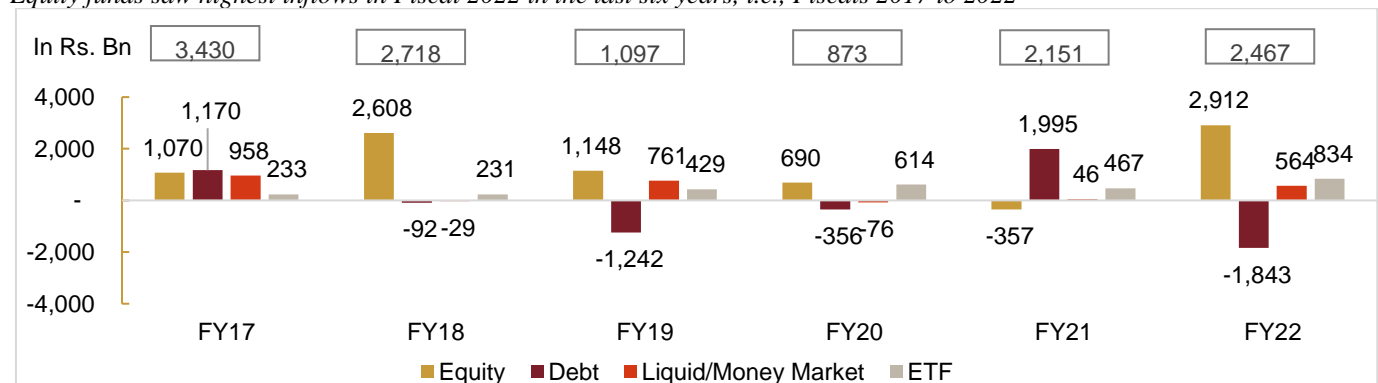
E: Estimated, P: Projected; Note: As per quarterly average AUM. Equity includes equity funds, ELSS, index funds, solution-oriented funds, and balanced funds. Debt funds include gilt, income, conservative hybrid, floater funds, and FoFs investing overseas. ETF includes gold ETFs and other ETFs. Liquid/ money market includes liquid funds, overnight funds, and money market funds. Source: AMFI, CRISIL MI&A

Net inflow in mutual funds to strengthen with retail participation

Net inflow in mutual funds declined in Fiscals 2019 and 2020, post two strong years (Fiscals 2017 and 2018), backed by equity inflows and corporate bond issuances. A major event in the form of the NBFC crisis in Fiscal 2019 slowed inflows during the year, followed by Fiscal 2020, which ended with the disruption caused by the COVID-19 pandemic. In Fiscal 2021, led by resurgence of investor interest despite the COVID-19 pandemic, aggregate inflows totaled ₹2,151 billion.

As per AMFI monthly disclosure, mutual fund industry witnessed an inflow of approximately ₹ 2,467 billion as of March 2022. Retail participation also increased with monthly inflows into mutual funds through the SIP route increasing from approximately ₹86 billion in April 2021 to approximately ₹ 123 billion in March 2022. During the same time, number of SIP accounts increased from 38 million in April 2021 to 53 million in March 2022. In the long term, with expectations of higher returns from the capital markets, the fund flow into equity funds is expected to be high. Increasing share of mutual funds in the financial savings of households, driven by expectations of higher and stable returns, is a key factor that is expected to contribute to fund inflows, especially into passive and equity fund categories.

Equity funds saw highest inflows in Fiscal 2022 in the last six years, i.e., Fiscals 2017 to 2022

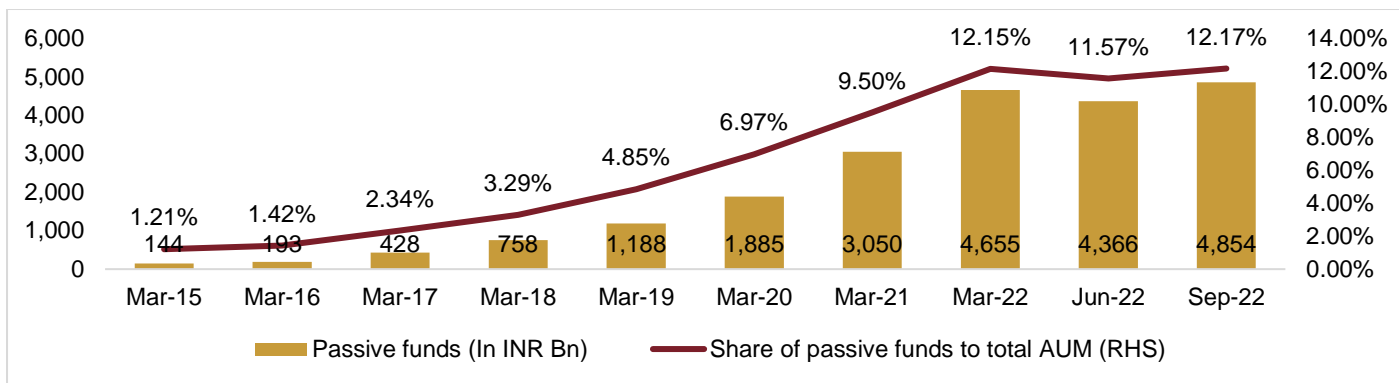


Notes: (1) As per quarterly average AUM. Equity includes equity funds, ELSS, index funds, solution-oriented funds, and balanced funds. Debt funds include gilt, income, conservative hybrid, floater funds, and FoFs investing overseas. ETF includes gold ETFs and other ETFs. Liquid/ money market includes liquid funds, overnight funds, and money market funds, (2) Figures in the box represents net inflow for the period; Source: AMFI, CRISIL MI&A

Share of passive funds low in overall industry AUMs, but has risen steadily over small base

Unlike the U.S. and other developed countries, where passive asset management garners a larger share, passively managed ETFs and index funds are yet to gain traction in India. However, their AUM share has risen from 1.2% as of March 2015 to 12.17%, or approximately ₹ 4.85 trillion, in September 2022, having grown at a CAGR of approximately 60%. ETF investments received a boost with the EPFO pumping in approximately 15% of its fresh accretion into the category.

Share of passive funds in AUMs



Note: Passive funds include gold ETFs, other ETFs and index funds. Figures exclude index funds from March 2020. QAAUM has been considered; Monthly average AUM considered for September 2022, Source: AMFI, CRISIL MI&A

While the space is dominated by institutional investors, retail demand has picked up in the recent past owing to discounts provided through Indian government disinvestment schemes, namely CPSE ETF (Central Public Sector Enterprises Exchange Traded Fund) and Bharat 22 ETF. These schemes are aimed at increasing retail investor participation. The rising interest can also be attributed to the low cost and well-diversified nature of ETFs, namely, gold ETFs and investments in equities beyond India. In addition, they also act as alternatives to actively managed funds. AMCs having higher share of these funds can better cross-sell other products to their retail base and, thus, save on costs incurred for marketing and business acquisition of retail customers. High growth potential of this fund category also makes it an attractive for AMCs, and the large chunk of institutional mandates makes managing the funds more profitable.

### Growth Drivers for the Indian Mutual Funds Industry

#### Economic growth

India's nominal GDP is projected to grow at 12% CAGR between Fiscal 2022 and Fiscal 2025. Economic growth, coupled with rise in middle-income population and increase in financial savings is expected to boost mutual fund industry in India.

#### Financial inclusion

The low mutual fund penetration in India is largely due to the lack of awareness. However, penetration is increasing owing to various government initiatives towards investor education and awareness. Other government and regulatory initiatives aimed at widening the formal financial system are also expected to aid this growth.

#### Investor education

SEBI has directed AMCs to annually set aside at least 2 basis points ("bps") of their daily net assets for spending on investor-education initiatives such as boosting awareness about capital market investment products. Such spending is expected to rise along with growing industry AUM, thereby helping deepen mutual fund penetration among new investors, particularly in B30 markets. CRISIL MI&A believes that investor education, coupled with better risk management and transparency within the mutual fund industry will boost investor confidence and lead to increased investments and growth in the industry.

#### Retirement planning

Retirement planning is an untapped market in India and if channeled through mutual funds, has the potential to significantly improve penetration among households. EPFO's move to invest 15% of its fresh accretion into ETFs has boosted the industry, thereby illustrating how mutual funds can be promoted as a vehicle for retirement planning in India. The substantial proportion of young population offers huge potential for retirement planning.

#### Tax benefits

The popularity of ELSS, a mutual fund product that helps investors save income tax under Section 80C of the Income Tax Act, 1961, has also grown. The aggregate AUM as of March 2019 stood at ₹ 1253 billion, up from ₹ 416 billion in March 2016, clocking a CAGR of 24.6%.

### Key risks and challenges to the Indian Mutual Funds Industry

#### Stamp duty on mutual funds

A stamp duty of 0.005% is charged on all mutual fund purchases starting July 1, 2020. This move has impacted large corporates, which mostly put their money in liquid funds for shorter periods. However, as the holding period increases, there would be less impact on returns.



### Downturn or volatility in mutual funds and other market-linked products

Retail participation and inflows into mutual funds and other market-linked products are heavily influenced by market performance and sentiment. Any downturn or volatility could make investors shy away from market-linked products and push them towards less-riskier assets.

### Poor financial literacy in India

Unless addressed properly, low financial literacy and the lack of awareness is expected to continue hindering the mutual funds industry from capitalizing on the full potential of the Indian economy. Mutual funds and other market-linked products should continue pushing products in India. Therefore, regular interaction will play a critical role in building trust, retaining investors and increasing penetration. Development of new distribution channels, regulatory and government support, education initiatives and greater focus on retirement planning will be critical for the mutual funds industry to realize its full potential.

### Competition from other financial instruments

Investors have been gradually reallocating their savings to mutual funds in recent years. However, in addition, insurance products such as unit-linked investment products (“**ULIPs**”), which provide dual benefits of protection and long-term savings, are competing for market share.

### High cost of retail expansion

Expanding into the B30 markets would require substantial investments in marketing and distribution, which could exert pressure on profit margins of fund houses. Innovative mobile/online interfaces to reach out to consumers in these markets could reduce the cost of customer acquisition, compliance and other processes. Further, optimal utilization of the branch network of India Post and public sector banks is expected to play an important role in finding the right balance between online interface and in-person interaction.

### Political instability or shift away from the pro-growth policy

Political instability in India or regions across the globe, any harsh protectionist measures by larger economies, or faster-than-required tightening of monetary policy could impact growth and global trade.

## **Mutual Fund Industry in Southeast Asia and Hong Kong**

### **Overview of MF Industry in South East Asia (Pre- COVID-19)**

The mutual fund industry in Southeast Asian countries has been on the rise owing to its large and growing population and uptick in affluence across all income groups. This has led to an increase in investable assets in the region, a sizeable portion of which forms part of investment in capital market products. Further, people planning their retirements also rely on mutual fund industry to compensate them for any shortcomings from their government pension plans.

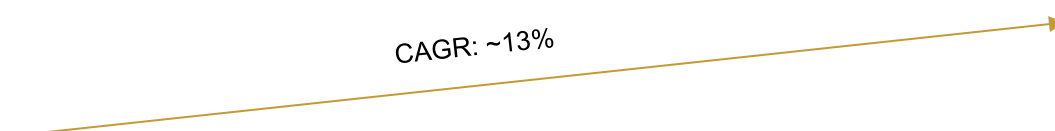
### **Post-COVID-19 impact**

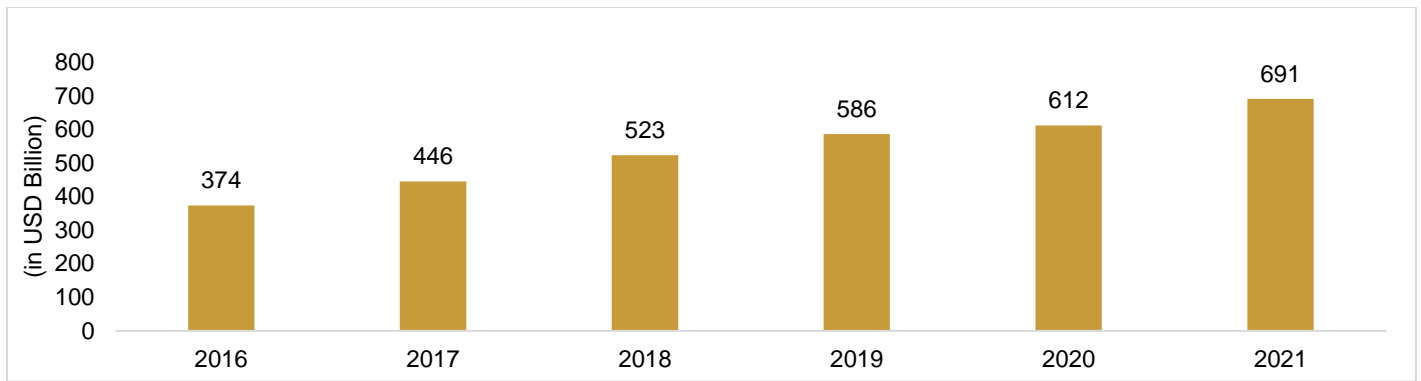
Over the years the regulatory scrutiny protecting investors interest and moderation in fees to invest in mutual funds have attracted new investors. In addition, easy data availability and inclusion of more millennials in the investing population has digitized the mutual fund market, thereby aiding easy investing methods. Further, amid heightened risk in the post-COVID era, the investors across countries are seeking excess returns and are more focused towards diversifying their portfolios to include geographies that have asynchronous market cycles. This has led to launch and inflow of funds in various mutual funds schemes which provide an indirect exposure to other geographies, thereby aiding growth in mutual fund industry in Southeast Asia. Additionally, rising awareness of ESG funds and appetite of funds committed to net zero emissions and decarbonization continued apace throughout the region. For instance, MAS’s effort to drive sustainable investments has attracted global capital and garnered investors’ interest.

### **Singapore**

Singapore’s total AUM (excluding AIFs) grew by 13% in calendar year 2021 to reach USD 3.1 trillion, driven by both net inflows of funds and valuation gains. In South East Asia, Singapore acts as a global Asia Pacific gateway for serving and intermediating international investors and asset managers with 78% of the AUM being sourced from outside Singapore. Thus, Singapore’s total domestic AUM (excluding AIF) reached USD 691 billion in calendar year 2021. The year also witnessed a net increase of 146 registered and licenses asset managers in Singapore taking the tally to a total of 1,108 at the end of calendar year 2021.

*Domestic asset management industry in Singapore clocked USD 691 billion in calendar year 2021*



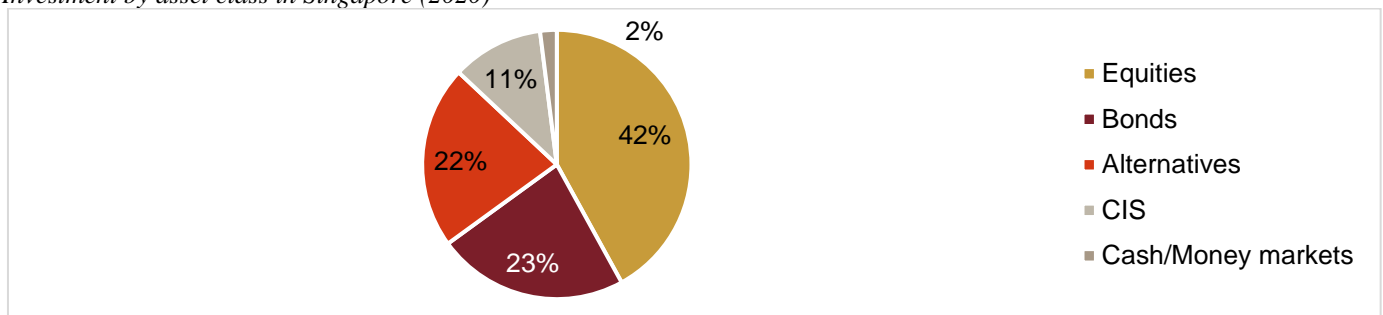


Note: Data includes only domestic mutual fund industry assets under management for year ending 31<sup>st</sup> December 2021, Currency exchange: 1 SGD = 0.75 USD, Data excludes AIFs in Singapore; Source: MAS, CRISIL MI&A

#### Overall asset mix of Singapore based asset managers

In calendar year 2020, allocation to equities stayed constant at 42% of overall AUM (USD 3.5 trillion) while the proportion of investments into fixed income assets decreased from 26% in calendar year 2019 to 23% in calendar year 2020. Investments into alternatives increased significantly by 36%, with proportion of AUM increasing from 18% in calendar year 2019 to 22% in calendar year 2020.

#### Investment by asset class in Singapore (2020)

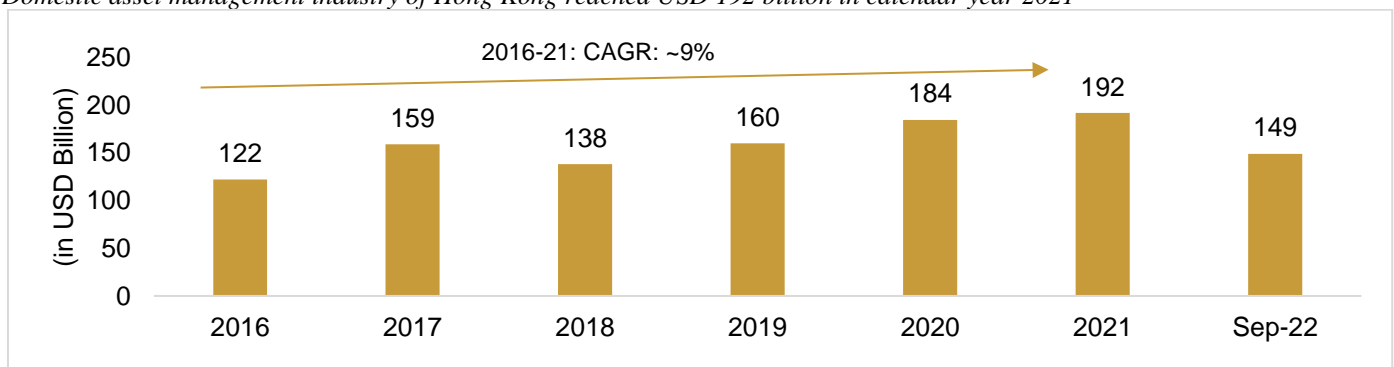


Note: Data includes overall assets under management (USD 3.5 trillion) of Singapore for year ending December 31, 2020; Source: MAS, CRISIL MI&A

### **Hong Kong**

The domestic asset management industry in Hong Kong is a growing industry, having witnessed a CAGR of 9% from USD 122 billion in December 2016 to reach USD 192 billion in December 2021. In calendar year 2020, the overall AUM for domestic asset management industry grew by 15% owing to an increase of 4% in the number of licensed corporations to carry out asset management activities, which reached 1,878 at end of December 2020. The number of individuals licensed to carry out such activities also grew by 3% on year to reach 13,074 in 2020 from 12,686 in calendar year 2019. In calendar year 2021, the industry saw a muted growth of 4% owing to stock market decline triggered by debt crisis in China’s property market. However, Hong Kong mutual fund investors continued to “buy the dip” leading to annual net inflows of USD 15.6 billion in calendar year 2021. In the first three quarters of calendar year 2022, the investors turned increasingly cautious as the year was rocked by geopolitical tensions and worries of growth causing the assets under management to decline to USD 149 billion at end of September 2022. Further, the situation was exacerbated on account of rising market volatility, slowing growth in China and rate hikes to combat inflation. Going forward, the prospects are expected to improve on easing of geopolitical tensions and recovery of economy.

#### Domestic asset management industry of Hong Kong reached USD 192 billion in calendar year 2021

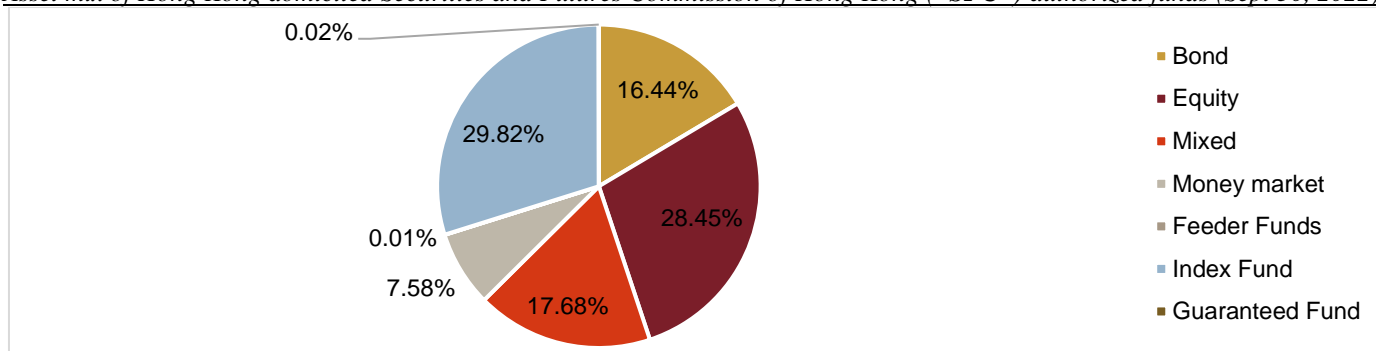


Note: Data for September 2022 is for 3<sup>rd</sup> quarter ending September 30, 2022, Data includes Hong Kong domiciled SFC authorized funds; Source: Hong Kong Investment Fund Association, CRISIL MI&A

### Overall asset mix of Hong Kong based asset managers

As of June 30, 2022, majority of assets managed by Hong Kong domiciled funds were invested in equities and index funds which together accounted for approximately 60.5% of the total assets.

### Asset mix of Hong Kong domiciled Securities and Futures Commission of Hong Kong (“SFC”) authorized funds (Sept 30, 2022)

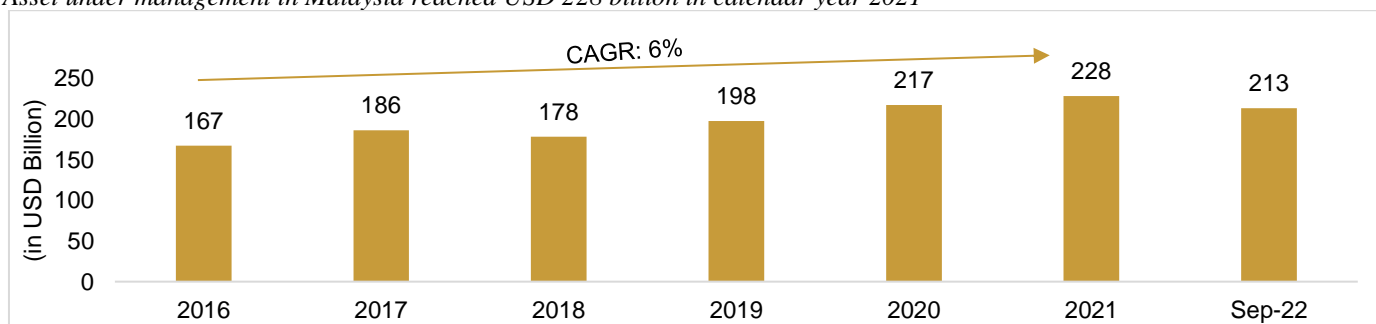


Note: Data for September 2022 is for 3<sup>rd</sup> quarter ending September 30, 2022, Data includes Hong Kong domiciled SFC authorized funds; Source: Hong Kong Investment Fund Association, CRISIL MI&A

### **Malaysia**

The Malaysian asset management industry has achieved a strong growth over the last two decades, with AUM experiencing a double-digit growth. However, the growth started to taper following the global financial crisis, and between calendar years 2016 and 2020, the asset management industry in Malaysia witnessed a CAGR of 6%, with the industry witnessing a contraction in calendar year 2018. The asset management industry in Malaysia is highly concentrated and is anchored by a few large players. The source of funds under management largely came from unit trust funds, private retirement schemes, employees provident fund, corporate bodies and wholesale funds and majority of these funds were deployed inside Malaysia and accounted for nearly 74% of the total AUM at end of September 2022. As on June 30, 2022, there are 60 asset management companies in Malaysia across wholesale funds, unit trust funds and private retirement schemes.

### Asset under management in Malaysia reached USD 228 billion in calendar year 2021

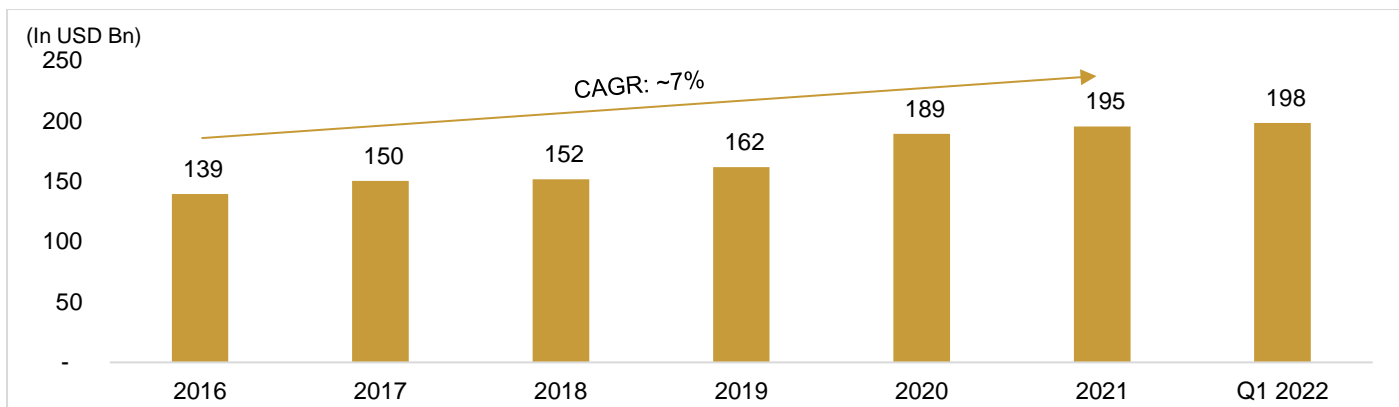


Note: Data for September 2022 is for 3<sup>rd</sup> quarter ending September 30, 2022, Currency rate: 1 RM = 0.24 USD; Source: Securities Commission Malaysia, CRISIL MI&A

### **Thailand**

The mutual fund industry in Thailand took off in calendar year 1992 when the Ministry of Finance ended Mutual Fund Plc.’s sole market power. Since then, the mutual fund industry has witnessed steady growth and has grown at a CAGR of 7% between calendar years 2016 and 2021 to reach USD 195 billion. In June 2019, the Capital Market Supervisory Board made certain regulatory amendments, allowing retail mutual funds to invest directly in qualified private equity funds. However, the market has remained subdued since calendar year 2020. Previously, retail funds were only allowed to invest in these funds through collective investment schemes. This has led to private funds witnessing higher traction as investors look for higher yield amidst the low interest rate environment. Between December 2019 and December 2021, the private funds AUM in Thailand has increased from USD 34 billion to USD 64 billion.

### Asset management industry in Thailand reached USD 195 billion in calendar year 2021

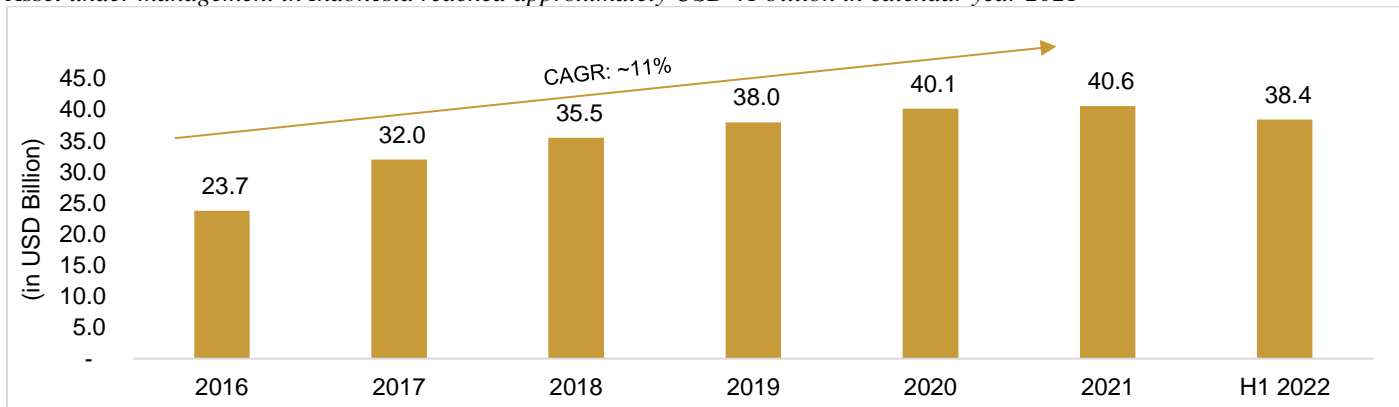


Note: Data for Q1 2022 is for quarter ending March 31, 2022, AUM for 2020, 2021 and March 2022 includes Mutual Fund AUM and Private funds AUM, Currency exchange: 1 Thailand Baht = 0.03 USD; Source: Association of Investment Management Companies (Thailand), Securities and Exchange Commission (Thailand), CRISIL MI&A

## Indonesia

Indonesia's mutual fund industry is highly dependent on the banking industry as distributors of mutual funds. In the past, the mutual funds were considered an exclusive product, available only to priority bank clients with high net worth. However, this is no longer the case with the regulator positioning mutual funds as an easily accessible investment option. This has led to increased participation in the mutual fund industry, which has witnessed a CAGR of 11% between calendar years 2016 and 2021 to reach USD 40.6 billion. Indonesia's mutual fund industry AUM fell by approximately 5% in the first six months of 2022 as foreign investors pulled out of emerging markets in favor of US bonds as US Federal Reserve hiked interest rates and signaled possible increases to arrest rising inflation.

Asset under management in Indonesia reached approximately USD 41 billion in calendar year 2021

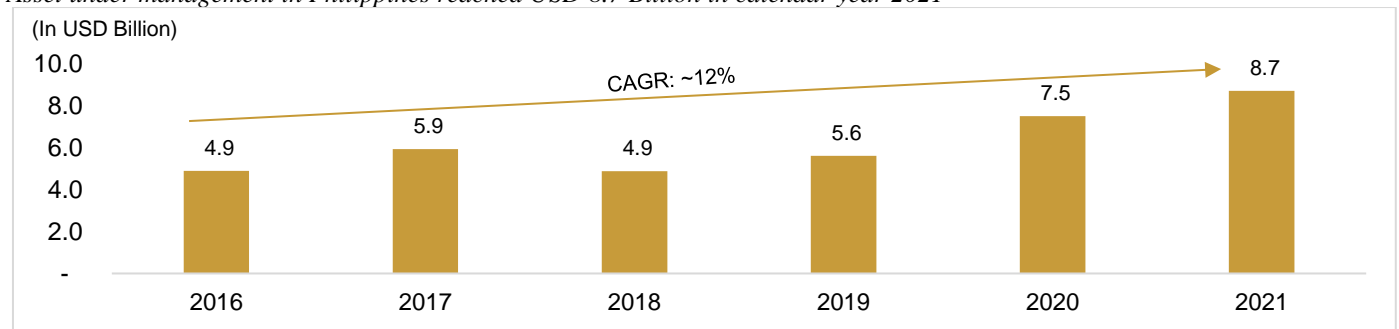


Note: Data for H1 2022 is for quarter ending June 30, 2022, Currency exchange: 1 Indonesia Rupiah Baht = 0.00007 USD; Source: Financial Service Authority of Indonesia, CRISIL MI&A

## Philippines

The Philippines' mutual fund industry grew at a CAGR of 12% between fiscal 2016 and 2021 to reach USD 8.7 billion. This growth can be attributed to a gradual rise in number of investors, increasing level of sophistication and awareness of the sector and the performance of money market and equity funds in the country. Despite these developments, the mutual fund industry lags behind its counterparts in pooled investment fund category. Over the past few years, the industry has also witnessed a shift from fixed income type funds to more equity-oriented funds. Going forward, this trend towards investment in equity-oriented funds is likely to continue leading to growth in the MF industry in Philippines.

Asset under management in Philippines reached USD 8.7 Billion in calendar year 2021



Note: Data is for year ending December 31, 2021; Source: IIFA, CRISIL MI&A

## *GDP and Mutual Fund AUM of Southeast Asian countries and Hong Kong*

<b>Country</b>	<b>GDP (2021) (in USD Bn)</b>	<b>Mutual Fund AUM (CY 2021) (in USD Bn)</b>
<b>Singapore</b>	373	612*
<b>Hong Kong</b>	368	192
<b>Malaysia</b>	346	228
<b>Thailand</b>	312	195
<b>Indonesia</b>	778	41
<b>Philippines</b>	370	8.7
<b>Total</b>	<b>2,547</b>	<b>1,277</b>

*Note: \* Data for 2020. Source: IMF (July 2022 Update), IIFA, MAS, Hong Kong Investment Fund Association, Securities Commission Malaysia, Association of Investment Management Companies (Thailand), Financial Service Authority of Indonesia, CRISIL MI&A*

## **Growth Drivers for the Mutual Funds Industry in Southeast Asia and Hong Kong**

### **Singapore**

#### *Singapore Fund Industry group to strengthen and develop Singapore as Asset Management Hub*

In calendar year 2021, the MAS partnered with various industry stakeholder within the funds ecosystem to establish 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 developmental initiatives to transform Singapore into an asset management hub. This is expected to strengthen financial market capabilities, bring higher transparency and drive sustainable developments in the Singapore mutual fund industry. Further, an increase in ESG investments, growth of millennials as investors and ageing savers increasing their allocation in investment products are expected to drive investment growth in the coming years. In addition, the Singapore government’s thrust towards digitization, favorable policies in relation to taxes and benefits payment for reducing economic inequality, rising labor force participation and efforts towards making Singapore a regional economic hub will aid capital market participation and boost the mutual fund industry. In addition, MAS under its Financial Services Industry Transformation Map 2025 has committed to develop its private credit market to complement private equity and venture capital funding. Such initiatives has led to a 30% rise in alternatives AUM in Singapore in calendar year 2021.

### **Hong Kong**

#### *Increased investor pool and client engagement to drive Hong Kong’s mutual fund industry*

To broaden the investor base for Hong Kong 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. This led to the implementation of Mainland-Hong Kong Mutual Recognition of Funds (“**MRF**”) scheme in calendar year 2015. In calendar year 2021, it entered into a memorandum of understanding which allows eligible Hong Kong and Thai public funds to be distributed in the other markets. In addition, ongoing development of Greater Bay Area to enhance distribution channels, advances in technology and increased client engagement are further expected to drive growth for mutual fund industry in Hong Kong.

### **Malaysia**

#### *Broadening distribution channel and embracing digital disruption to bolster Malaysia’s industry*

While agency model remains a key distribution channel for retail investors in the Malaysian mutual fund industry, digital disruption and rise of on-demand services has caused the industry to further broaden their distribution channel through partnership and reach out a larger customer base. Further, digitization of financial services and adoption of robo-advisory models for creation of tailor-made long term strategic investments for the client has increased the pace of financial literacy and mutual fund penetration in Malaysia. Going forward, the trend is expected to continue which will bolster Malaysia’s mutual fund industry.

### **Thailand**

#### *Sustainable finance to drive growth for mutual funds industry in Thailand*

The Securities and Exchange Commission Thailand (“**SEC Thailand**”) as the capital market regulator refers to sustainability in one of the foundation statements of the organization. According to Thailand’s Capital Market Strategic Plan (2020-2022), SEC Thailand had defined four major goals around sustainability, financial inclusion, development of capital market infrastructure and increasing investors’ trust and confidence. In January 2022, the Stock Exchange of Thailand formulated a three-year strategic plan (2022-2024) based on the concept of “Connecting opportunities X Transforming possibilities”, to develop current market and connect to the future world to ensure growth and sustainability aspects. Going forward, increasing retail participation, rising investor confidence coupled with increased asset diversity of fund owing to sustainable investing going mainstream in Thailand is expected to provide

a stimulus to the mutual fund industry in Thailand. Although investors have shown caution towards China equity funds, global equity funds remain of investor’s interest and is likely to witness traction. The growth can also spur from inflow into tax saving and retirement funds.

**Indonesia**

Government push to deepen capital market to provide a fillip to Indonesia’s Mutual Fund Industry

Despite a CAGR of 11% between calendar years 2016 and 2021, the mutual fund penetration in Indonesia is still at 4% which provides a huge headroom for growth. Indonesia Stock Exchange (“**IDX**”) launched multiple campaigns in the past few years to raise public awareness on 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 an agent of mutual fund sales force. Further, as at end first quarter of 2022, the number of mutual fund investors in Indonesian Capital market has increased to 7.7 million, which is an increase of 13% as compared to its number at end of 2021. This is driven by rising digitalization of financial services as 80% of mutual fund investors choose to become clients of fintech based mutual fund selling agents that own digital infrastructure and facilitates transaction. Going forward, rising and deepening of mutual fund penetration is likely to provide a fillip to the mutual fund industry in Indonesia.

**Philippines**

Shift in attitude towards managed investment schemes to spur Philippines Mutual Fund Industry

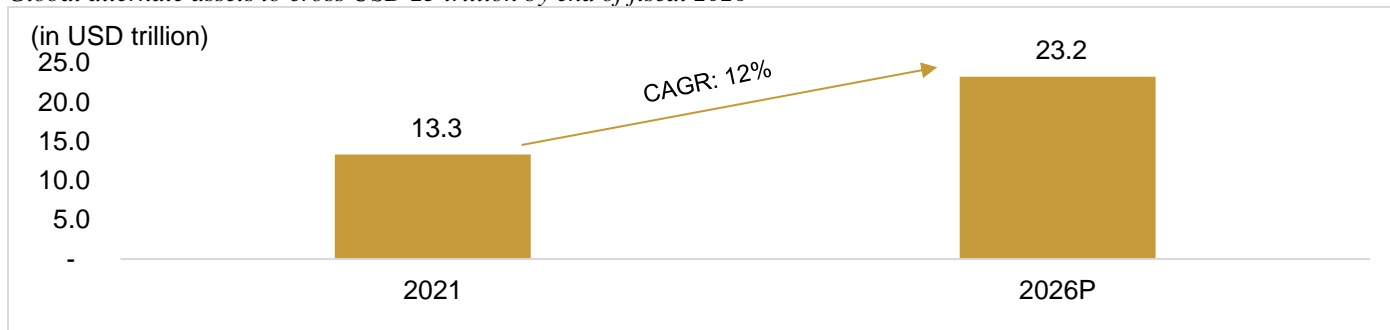
The mutual fund market in Philippines is still at a nascent stage and has a long way to catch up with other South East Asian countries. According to Financial Inclusion Survey (2019) of Central Bank of Philippines, the investment ownership in Philippines increased to 25% in calendar year 2019 from 22.5% in calendar year 2017. The most common types of contributions went towards Social Security System as 88% of investment owners contributed to this scheme; and Pag-IBIG as 52% of investment owners invested in this scheme, while a mere 3% of investment owners invested in stock, 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 digital landscape in Philippines and encouraging financial empowerment through sachet investing is also expected to aid the growth to mutual fund in Philippines.

**B. ALTERNATIVE INVESTMENT FUNDS (“AIFS”)**

**Global AIF Industry**

According to Preqin, the global alternative asset under management is expected to nearly double over the next five fiscals, swelling to USD 23.2 trillion by fiscal 2026 from an estimated USD 13.3 trillion at end of fiscal 2021. The growth is projected to be driven by growth in private equity owing to its ability to deliver superior returns to investors while countering changes in market realities and regulatory landscape. The contributions from HNIs and wealth managers are also expected to increase with increasing investor awareness and education. Further, alternative assets are generally not in correlation with public markets and provide the necessary portfolio diversification, thereby ensuring low volatility and strong performance through market cycles which makes it an attractive proposition.

*Global alternate assets to cross USD 23 trillion by end of fiscal 2026*



Note: P: Projected, Alternatives include hedge funds, private equity, real estate, infrastructure, private debt and natural resources;  
Source: Preqin (Alternatives in 2022 - January 2022)

**Indian AIF Industry**

SEBI defines AIFs as privately pooled investment vehicles, which collect funds from investors for investing as per a defined policy for the benefit of its investors and are not covered by any other regulations of the SEBI that govern fund-management activities. Equity AIFs cater to the Ultra HNI (“**UHNI**”) / HNI clients and compete with equity portfolio management services (“**PMSs**”) for the wallet share of such clients. While the private equity industry saw strong growth over the past decade, with investors rushing to invest in start-ups in India, newer products such as social ventures, arts, small and medium enterprise (“**SME**”) funds, and real estate

funds are also gaining prominence. On the debt side, institutional investors such as insurance companies and pension funds are investing in alternative assets in search of higher yields.

According to SEBI, AIFs are classified in three broad categories:

Category of AIF	Fund includes
Category I	Venture capital funds, SME funds, social venture funds, infrastructure funds
Category II	Private equity funds, real estate funds, funds for distressed assets, FoFs
Category III	Hedge funds, Private investment in Public Equity Funds (“PIPE”)

### Investor Profile

Resident Indian individuals, Non-resident Indian (“NRIs”) and foreign nationals can invest in AIFs. However, due to minimum investment requirement of ₹ 10 million (₹ 2.5 million in the case of angel funds), only sophisticated private investors such as HNIs can invest in AIFs. Further, as per guidelines issued by SEBI, AIFs can only be marketed through private placement. The directors, employees and fund managers of AIFs are permitted to invest in AIFs with minimum investment of ₹. 2.5 million.

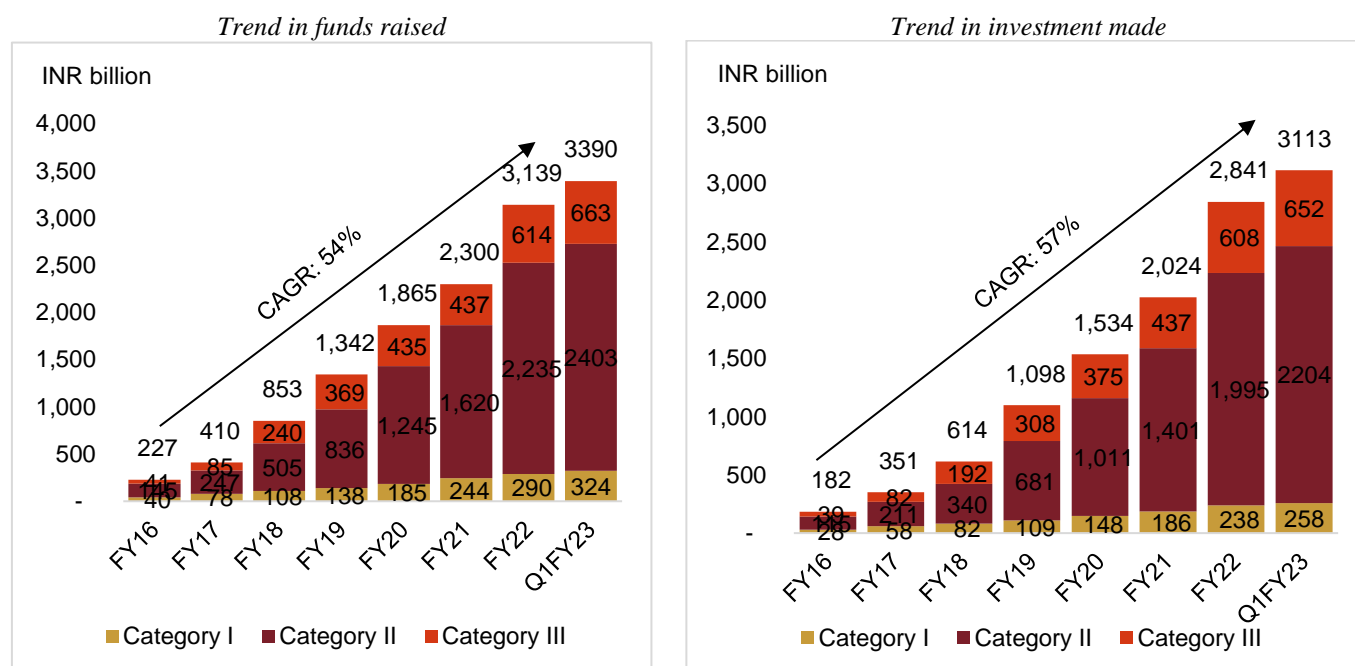
### AIF has gained strong traction in recent years

In recent years, AIFs have gained significant attraction due to its ability to generate higher returns for UHNIs / HNIs by investing in funds such as real estate funds, venture capital funds and start-up funding, as well as enabling investors to take exposure to specific themes such as private debt focused on entities focused on financial inclusion. The growth in AIF industry could be attributed to the surge in investment activities and fund raising in India along with support from regulatory reforms brought by SEBI. As of June 30, 2022, there were 959 AIFs overseeing over ₹ 6.9 trillion in investor commitments, as against 209 AIFs with ₹ 0.38 trillion in commitments as of March 31, 2016, reflecting an impressive approximately 17x growth during the interim period.

Despite such a strong growth in AIF, India’s AIF market is still underdeveloped as compared to rest of world. For example, in 2019, the AIF industry size in the U.S. was USD 10.3 trillion. The key factors for the underdeveloped AIF market in India are higher investment ticket size and higher returns from traditional investment options. The higher investment criteria keep a large number of potential investors away from AIF market, which in turn could bring in higher amount of funds.

Pension funds and insurance companies are expected to increase their allocation to private debt as AIF market matures and generates higher yields as compared to traditional asset class. Furthermore, offshore funds and UHNIs/HNIs are expected to continue to bring in additional funds for higher returns.

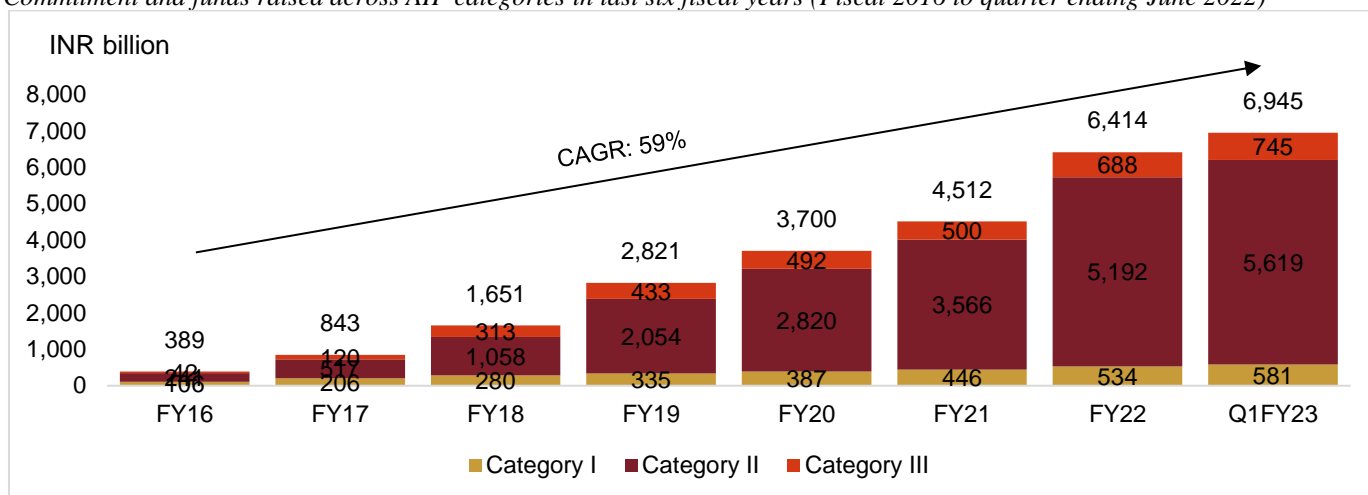
### Investment made and funds raised in AIFs have increased significantly (₹ Billion)



Source: SEBI Statistics, CRISIL MI&A

Around 81% of commitments raised and 71% of fund raised by AIFs as on June 2022 is under Category II funds, which includes real estate funds, private equity funds and debt funds. Category III funds were able to raise commitments and funds of around ₹ 745 billion and ₹ 663 billion, which is 11% of overall commitments raised and 20% of overall fund raised by AIFs as of June 2022. Category III funds are permitted to invest in commodity derivatives until 10% of investible funds and they are also allowed to leverage up to two times.

*Commitment and funds raised across AIF categories in last six fiscal years (Fiscal 2016 to quarter ending June 2022)*

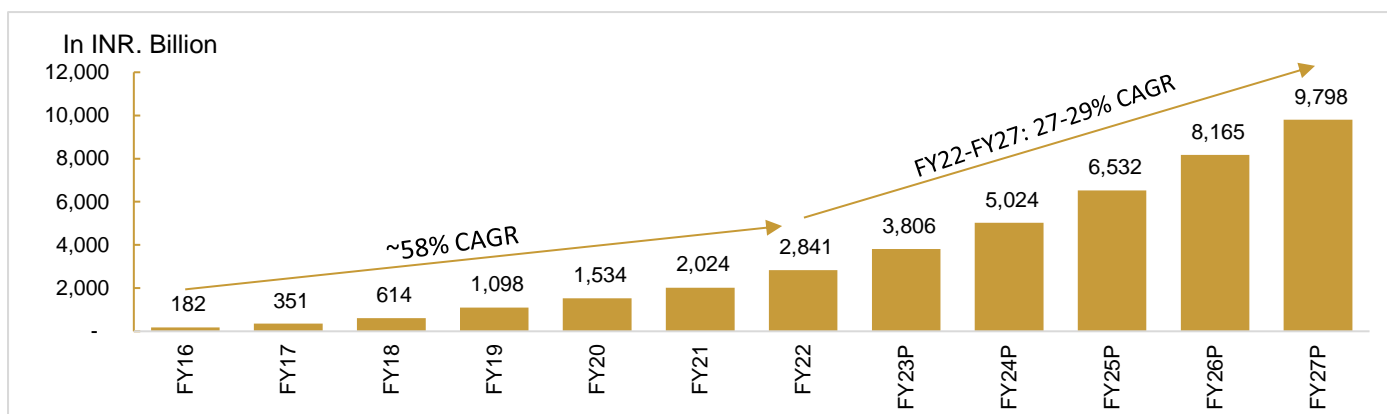


Source: SEBI Statistics, CRISIL MI&A

**Indian AIF Industry Outlook**

With the phenomenal rise of many AIFs and rising inflow of funds into this category, CRISIL MI&A expects the AIF industry to grow at a CAGR of 27-29% between Fiscal 2022 and Fiscal 2027. It is expected to help expand the allied investor services industry by serving the rising demand.

*AIF to grow at 27-29% CAGR between Fiscals 2022 and 2027*



Source: CRISIL MI&A Estimates

**Growth drivers of AIF Industry in India**

RBI allowance of foreign investment

Category III AIF with foreign investment are permitted to make portfolio investments in only those securities or instruments in which an FPI can invest under the Foreign Exchange Management Act, rules or regulations made thereunder. In May 2021, SEBI, in consultation with RBI, doubled the overseas investment limit for AIFs from USD 750 million to USD 1500 million.

Simplification of procedures

The regulatory powers of four regulators, namely, RBI, SEBI, Insurance Regulatory and Development Authority (“**IRDA**”) and Pension Fund Regulatory and Development Authority (“**PFRA**”) are vested in International Financial Services Centres Authority (“**IFSCA**”), which ensure single window approval for investors to apply for various approvals and make it easier for them to set up units. Accordingly, AIFs set up in Gujarat International Finance Tec-City (“**GIFT City**”) only require approval from International Financial Services Centre (“**IFSC**”) and not the four regulators. IFSC has permitted higher leverage level for Category II funds with the consent of the fund’s investors. Additionally, the IFSC has offered flexibility to fund the managers’ and investors with regards to co-investment and diversification norms for fund portfolio.

GIFT City

GIFT City is a global financial and information technology (“**IT**”) services hub on the lines of globally benchmarked financial centers. It includes a special economic zone (“**SEZ**”) having the status of an IFSC, set up with the objective of undertaking financial services transactions that are currently carried out outside India by overseas financial institutions and overseas branches/ subsidiaries



of Indian financial institutions. As part of the overall regulatory endeavor to facilitate growth of financial services intermediaries in IFSC, various regulatory reforms have been introduced in IFSC. As a result, it is fast emerging as an attractive alternative to AIFs. GIFT City is brought under IFSCA regulations, which simplified deal structuring, provided flexibility, and allowed for allocation of more capital to opportunities and offered various tax exemptions. GIFT City AIFs have several preferential rules concerning single window clearance, leverage, diversification restrictions, absence of SEBI approval for investments outside India as well as deal structuring and capital allocation.

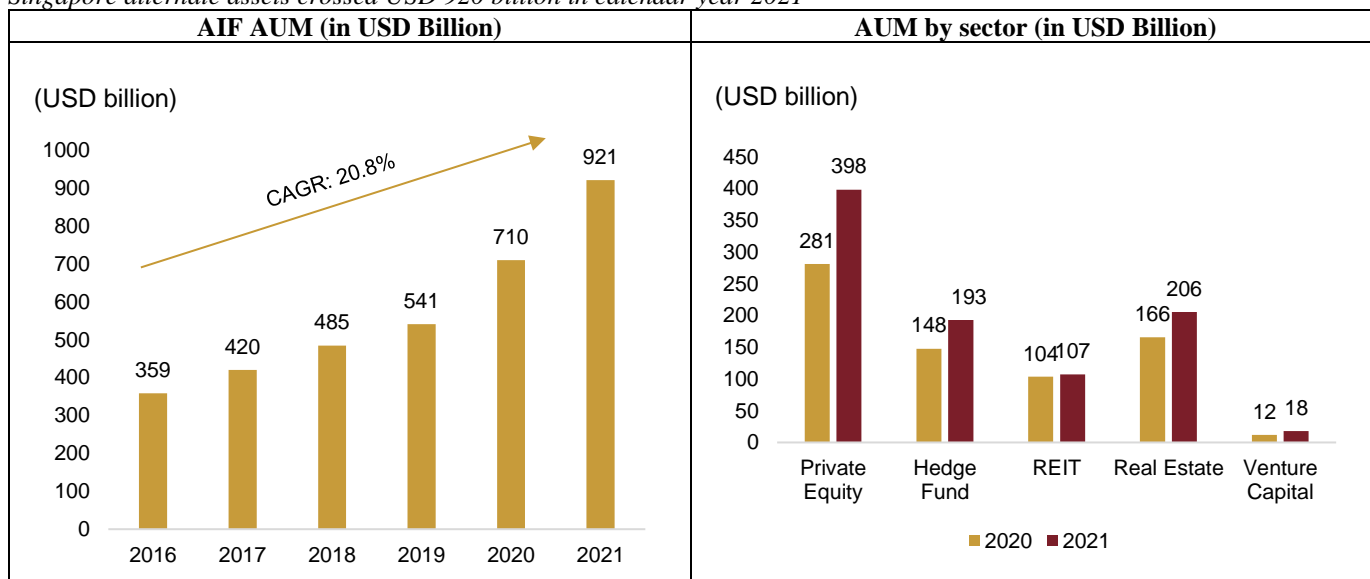
Tax incentives

Non-resident investors’ income earned, derived, or received from offshore investments made through a Category I or II AIF is not taxable in India. Non-resident investors are exempt from filing income tax returns if they earn income solely from investments in Category I or Category II AIFs in the IFSC and tax is deducted on the distributions made by such AIFs to non-resident investors. Additionally, such non-resident investors are not required to obtain a PAN in India. Whereas Category III AIFs are taxed at the fund level and various exemptions are provided to non-resident investors. Investors are tax exempt on income accruing to, arising from, or received from the Category III AIF or on the transfer of its units. Additionally, the provisions of the alternate minimum tax do not apply to Category III AIFs. Stamp duty, securities transaction tax, and commodities transaction tax exemptions apply to transactions conducted on IFSC exchanges. These exemptions would promote higher investments from non-resident investors in AIF industry.

AIF Industry in Singapore

At the end of calendar year 2021, total AIF assets under management in Singapore grew at 30% to reach USD 921 billion, up from USD 710 billion in calendar year 2020. Between calendar years 2016 to 2021, the AIF AUM in Singapore has witnessed a growth at a CAGR of 20.8%. Within the alternatives sector, y-o-y growth for private equity (“PE”) and venture capital (“VC”) AUM was robust in calendar year 2021 at 42% and 48%, respectively, owing to efforts by MAS to develop Singapore as an Asia Pacific private markets hub, and investors seeking higher yield. Going forward, the AIF market in Singapore is expected to grow owing to regulatory support and growing interest of PE/VC managers and investors to opportunities in digitalization and sustainability.

Singapore alternate assets crossed USD 920 billion in calendar year 2021



Note: Currency exchange: 1 SGD = 0.75 USD; Source: MAS, CRISIL MI&A

**C. WEALTH MANAGEMENT**

Industry overview

Depending on goals and constraints of clients, the wealth management industry provides professional investment advice, financial planning and management services that best suits their requirement. It also provides value-added services, such as investing in art and antiques, and helps clients in philanthropic activities. The wealth management industry has seen robust growth over a low base, because of fresh investments from household savings going into organized financial assets, and increasing need for customization, with clients typically asking advice for asset management, financial planning, tax planning, estate planning, and succession planning.

Type of wealth management services

**Advisory:** In this type of service, investment decisions can be at the wealth management company's discretion or solely taken by the client. This is typically for HNIs and UHNIs. As Indian investors are not accustomed to paying a fee for wealth management advice, the fee-based advisory model has not yet matured in India. Many wealth managers refrain from offering fee-based advisory services, instead focusing on commission from transactions.

**Distribution:** This type of service is primarily transaction-oriented, where the client assigns the wealth manager to execute specific transactions related to his/her wealth management. However, investment planning, decision and further management remain vested with the client. This service is offered for products, such as mutual funds, ETFs, portfolio management services, alternative investment funds, tax-free bonds, and fixed deposits. These services are also offered by brokerage firms, apart from the wealth management firms.

**Custody, servicing and safekeeping of assets:** A wealth manager is only entrusted with management, administration and oversight of the process of investment. All investment planning, investment decisions, and execution is done by the client.

**Family office:** Family office services provide large businesses and families with customized solutions to manage their wealth better, and aid in succession planning. It offers services, such as tax planning and wealth management, philanthropy, will execution, and estate planning. Family offices charge fees based on percentage of assets managed above the fixed amount of fees. Approximately 25-30 bps is the typical yield charged. Family offices is ideal if the portfolio is over ₹ 1 billion.

**Customer profile in wealth management industry**

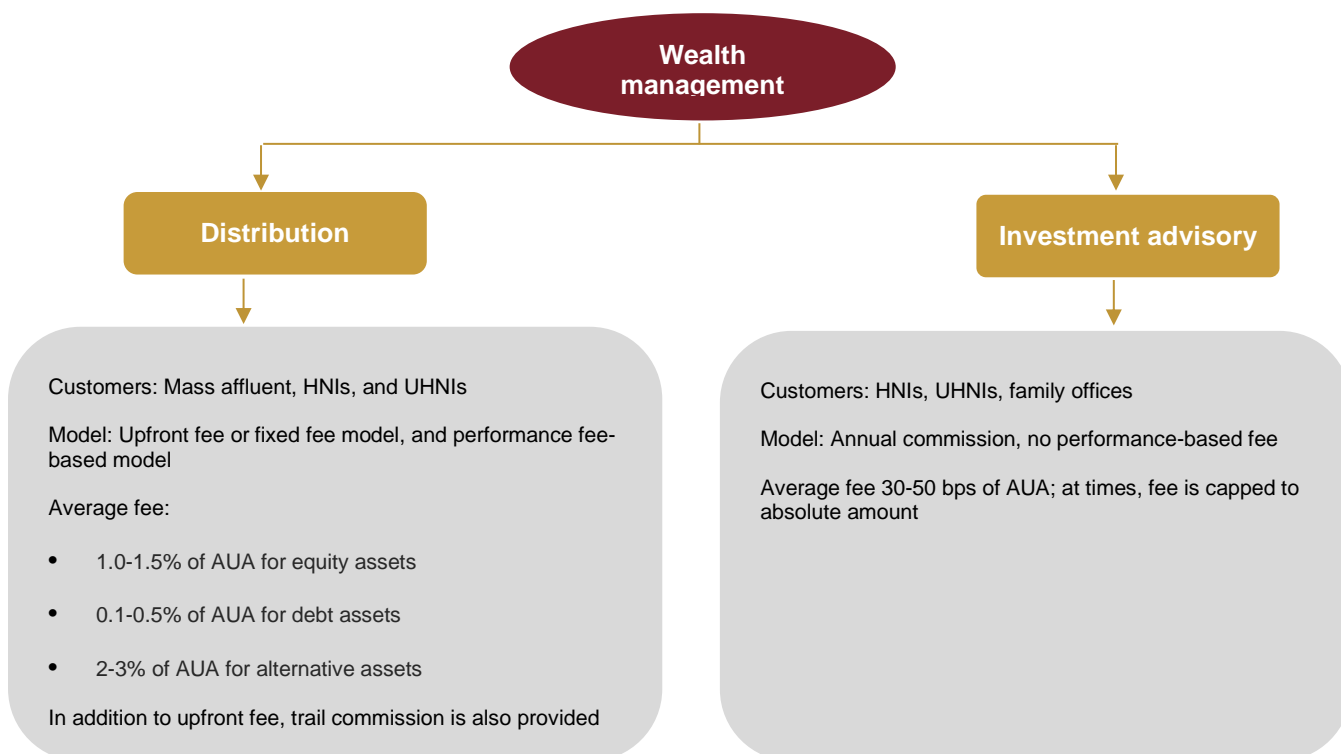
**UHNIs:** These are entrepreneurs, corporate executives, or wealthy families who have an investable assets base of over ₹ 250 million, excluding their primary residence, collectibles, consumables, and consumer durables. They usually require structured customized solutions from the wealth manager.

**HNIs:** They have an investable asset base of over ₹ 50 million, excluding their primary residence, collectibles, consumables, and consumer durables. With rising income levels, increasingly professionals and salaried individuals are able to generate surplus income, which they prefer to channel into productive investments. Thus, newer categories of customers, affluent and mass affluent, have emerged in the last few years

- **Affluent customers:** Wealth management players and brokers provide distribution and custodial services to this segment. Affluent customers are those who have investable asset base of ₹ 5.0 million to ₹ 50 million
- **Mass affluent/ retail investors:** These are customers with less than ₹ 5.0 million of investable asset base

Wealth management firm have different strategies, based on the profile of the customer. There are different teams catering to UHNIs and HNIs, and those catering to affluent and mass affluent customers. For instance, one relationship manager (“RM”) typically services 400-700 customers in the affluent/mass affluent category; the corresponding number ranges between 50-70 clients per RM in the case of HNIs and 10-20 clients per RM for UHNIs.

*Revenue model in wealth management services*



Source: CRISIL MI&A

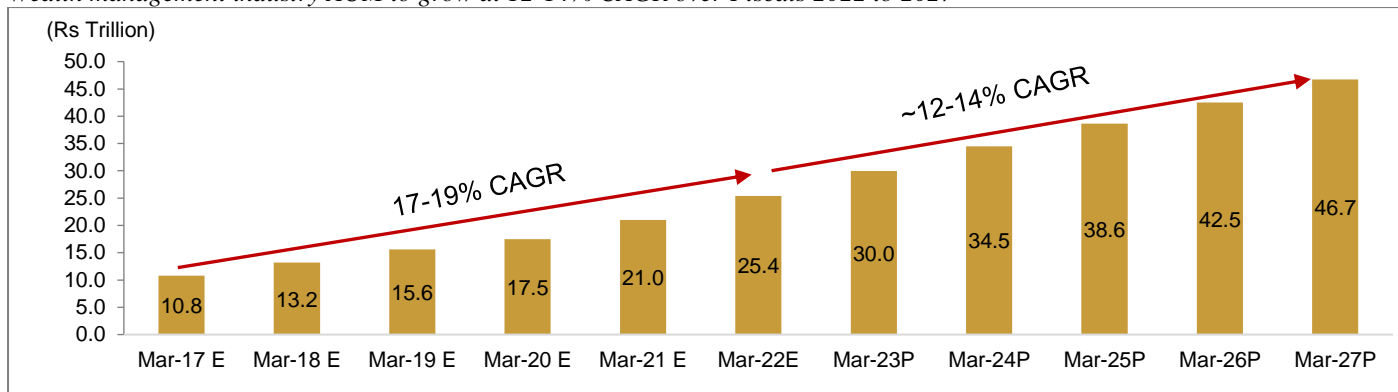
**Industry outlook for Wealth Management in India**

The wealth management industry in India is still at a very nascent stage. It has huge potential to become a high-growth market supported by a young affluent investor base, improving wealth levels, strengthening 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 thrust on financial assets as against physical assets is expected to create large opportunities for the wealth management industry in India. In terms of offerings, family office solutions and estate planning have been seeing increasing demand in recent years.

CRISIL MI&A estimates India's wealth management industry, including banks and broking companies offering such services, assets to be at around ₹ 25 trillion in Fiscal 2022. CRISIL MI&A projects the market to grow at a CAGR of 12-14% over March 2022 to March 2027 and cross ₹ 47 trillion by Fiscal 2027. This is expected to be supported by significant under penetration compared to other developed economies, increasing population of affluent clients, increase shift from physical assets to financial assets and increasing complexity of assets amid rising competition.

Wealth management industry AUM to grow at 12-14% CAGR over Fiscals 2022 to 2027



Note: E: Estimated; P: Projected, Source: CRISIL MI&A

### Key growth drivers for Indian Wealth Management

- Low penetration of organized wealth management:** The assets under administration (“AUA”) of wealth management market in India, at approximately ₹ 25.4 trillion, is only approximately 11% of India’s GDP. In established markets, advised wealth, as a percentage of GDP, is at 60-75%. However, there has been a rising demand for wealth managers in the tier 1 cities in India, owing to rising awareness among affluent and mass affluent customers, and increasing number of potential clients on account of growing income levels. The increase in penetration of wealth management companies into tier 2 and 3 cities is expected to help drive growth, given more than 40% of the UHNIs live in non-metros, and their wealth is majorly managed by independent financial advisors (“IFAs”) and chartered accountants.
- Increasing population of affluent clients with rising income levels:** With an expanding economy, middle class incomes and investable assets of UHNIs in India have increased sharply over the past few years. This, along with increasing financial literacy and growing customer awareness, has led to increase in demand for wealth products. India has one of the world’s fastest growing UHNI population, both in terms of the number of individuals and wealth levels. The rise in the UHNI population has been partly driven by e-commerce start-ups and rising income levels.
- Increase in wealth allocated towards financial products:** Individuals and investors are increasingly moving away from traditional physical investments, such as real estate and gold, and making higher allocations into financial assets, such as equity, bonds and alternative investments, thereby creating higher potential for wealth products. This, along with ease in accessibility of different investment products on one platform, is expected to help propel growth.
- Increasing complexity of products requiring advice:** There is increasing complexity of the financial products in the market, thereby requiring advice from professionals for better understanding of the products before investing. This is expected to help drive growth of the investment advisory business.

The net average fees earned by the advisory services is in the range of 30-50 bps of AUA, with the fees being on the higher side for mass affluent and HNI customers compared with UHNIs. Sometimes, these advisory fees are capped up to a fixed amount for HNIs and UHNIs customers. For distribution, average fee is approximately 1-1.5% of the AUA for equity products with similar or marginally lower trail yields and 0.1-0.5% of AUA for debt products. For alternative assets, average upfront distribution fee is 2-3% of AUA with no trail commission. Firms have been trying to optimize their cost to income ratios through appropriate investments in talent acquisition, technology and tools.

### **D. PORTFOLIO MANAGEMENT SERVICES IN INDIA**

In India, PMS is offered by AMCs, banks, brokerages and independent investment managers. PMS is usually focused on customized discretionary, non-discretionary or advisory service offerings tailored to meet specific investment objectives through basic portfolio management services for stocks, cash, fixed income, debt, structured products and other individual securities. Apart from managing mutual fund schemes, AMCs in India have started offering tailor-made strategies with higher flexibility to investors through PMS. As of October 31, 2022, there were 384 portfolio managers (including AMCs) registered under SEBI. As of September 2022, discretionary PMS dominated the space with 84% share, followed by non-discretionary (8%) and advisory (8%) services.

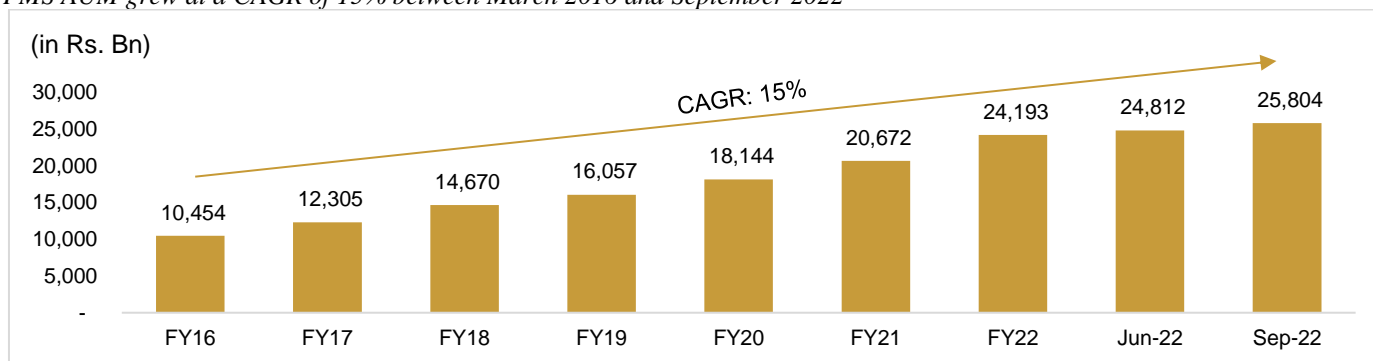
Over the last six years, the PMS industry has seen significant growth, with the market becoming more mature, increasing number of HNIs, greater need for customized asset allocation based on risk-return profiling, and growing awareness of PMS as a product. As of September 2022, the AUM of PMS asset managers stood at approximately ₹ 25.8 trillion, reflecting a CAGR of 15% between March 2016 and September 2022.

On November 20, 2019, SEBI had announced an increase in the required minimum ticket size for investing in PMS, from ₹ 2.5 million to ₹ 5.0 million, and the minimum net worth requirement for PMS providers, from ₹ 20 million to ₹ 50 million, effective within 36 months. Along with additional changes aimed at increasing transparency for retail investors, CRISIL expects this to impact growth of the PMS’ AUM as the number of potential investors is expected to decrease. The increase in net worth requirement, though, is expected to likely limit the number of businesses that enter and retain their registration, thereby helping bigger players, which, in turn, could lead to increased investor confidence in the product.

There are broadly three types of PMS:

1. Discretionary PMS – Where the investment is at the discretion of the fund manager, and the client does not intervene in the investment process.
2. Non-discretionary PMS – Non-discretionary services are the ones in which managers involve the client in the decision-making process. Non-discretionary clients are usually institutional clients, such as pension funds, insurance companies and HNIs.
3. Advisory PMS: Advisory services are where managers advise clients about investing strategy.

*PMS AUM grew at a CAGR of 15% between March 2016 and September 2022*



Source: SEBI, CRISIL MI&A

### **Recent developments**

The guidelines issued by SEBI in 2013 had allowed distributors to set up a separate division to offer advisory services. However, after discussion on SEBI’s recent consultation paper on review of regulatory framework for investment advisers, SEBI announced that investment advisers will be barred from simultaneously selling financial products and advisory services to curb mis-selling and protect investors. The board meeting also focused on bringing clarity in payment of fees and setting an upper limit on the fees charged to investors.

### **E. NATIONAL PENSION SYSTEM (“NPS”)**

NPS is a retirement benefit scheme introduced by the Government of India to facilitate income post retirement to all the subscribers and is governed by the PFRDA. The scheme was initially launched only for government employees but was later opened for all sections. 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.

Over the past three years, NPS has seen the number of subscribers under the “All Citizen” model, meant for citizens other than Central and State government employees, doubled from 0.92 million at end of March 2019 to 2.50 million at end of September 2022. During the same period, AUM under “All Citizen” model also increased from ₹ 96 billion to ₹ 359 billion. At end of September 2022, the number of subscribers and AUM under “All Citizen” model stood at 2.50 million and ₹ 359 billion. The total number of subscribers across various models of NPS also reached 16.40 million with AUM of more than ₹ 7.76 trillion.

*Rise in subscribers and AUM for NPS*

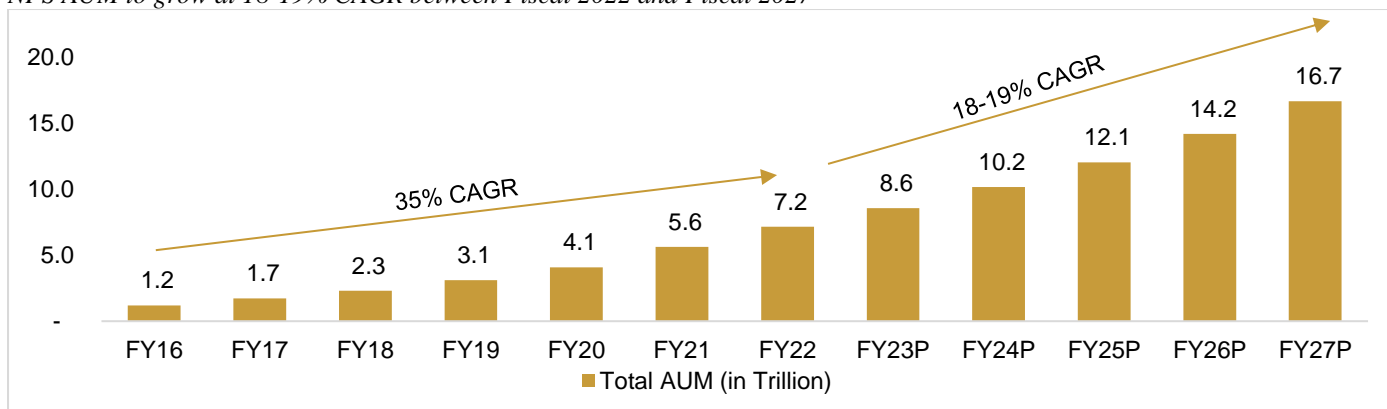
Metrics	FY17	FY18	FY19	FY20	FY21	FY22	Jun-22	Sep-22	CAGR
NPS Subscribers (million)	10.57	11.57	12.40	13.41	14.39	15.74	16.06	16.40	8%
AUM (in ₹ Billion)	1,726.7	2,307.6	3,113.5	4,069.5	5,623.4	7,156.7	7,230.1	7,765.7	31%

Source: NPS Trust, CRISIL MI&A

### **NPS AUM to grow at a CAGR of 18-19% between Fiscals 2022 and 2027**

CRISIL MI&A expects AUM for NPS to grow at a CAGR of 18-19% between Fiscal 2022 and Fiscal 2027, owing to a rise in subscriber base due to the tax benefits provided by NPS. Additionally, NPS provides the investor with an option to choose equity schemes such as inflation beating investments for their retirement planning which is expected to provide higher returns than deploying money in FDs and other such fixed income investments.

*NPS AUM to grow at 18-19% CAGR between Fiscal 2022 and Fiscal 2027*



*Note: P: Projected; Source: NPS Trust, CRISIL MI&A*

### **Entities involved in NPS**

The PFRDA has appointed multiple agencies for different NPS services to ensure better transparency and efficiency, which includes:

- **NPS Trust:** It is responsible for taking care of funds under NPS by prudently monitoring/auditing portfolio of Pension Fund Manager on a regular basis to ensure subscriber interests
- **Central Recording Keeping Agency (“CRA”):** As on September 30, 2022, KFinTech, CAMS and Protean eGov Technologies Limited (erstwhile NSDL e-Governance Infrastructure Limited) were the three operating CRAs appointed by PFRDA to maintain data and record of NPS subscribers. They are responsible for record keeping, administrating and customer service functions for all subscribers of NPS.
- **Point of Presence (“POP”):** It is responsible for facilitating registration, submission of contributions and requests for any modification or exit/withdrawal from NPS funds.
- **Pension Fund Managers (“PFMs”):** The contributions made by the subscribers are managed by the PFMs who are appointed by PFRDA and are government by regulatory guidelines. The flexibility of choosing the PFMs is given to the subscriber at the time of opening the NPS account.
- **Annuity Service Providers (“ASPs”):** After completing 60 years of age, the main function of the ASPs is to provide annuity payments to the subscribers at the time of exit from the NPS. This is done based on the annuity contract purchased by the subscriber under the NPS.

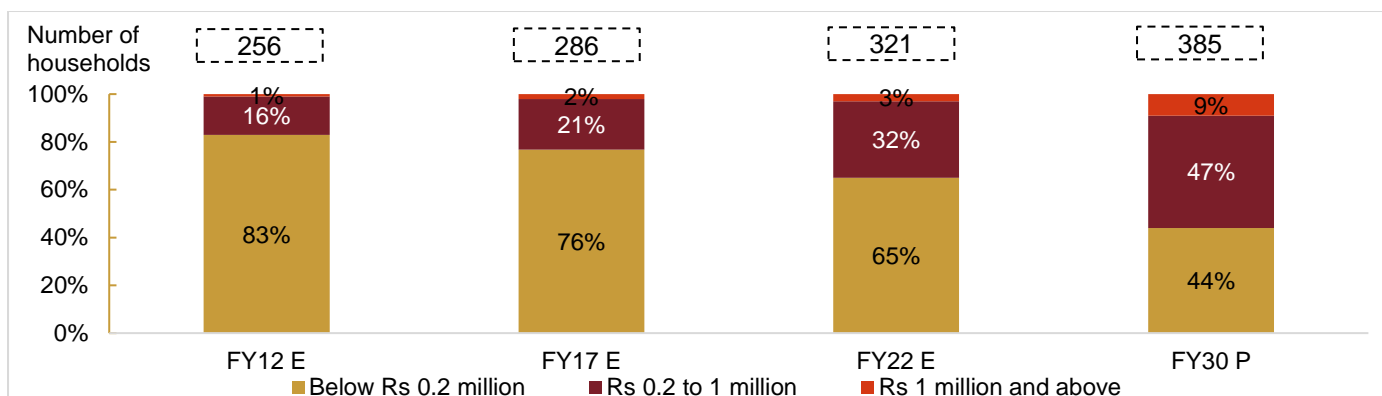
### **Growth Drivers**

#### **Rising Middle India population to aid NPS accounts growth**

An estimated 83% of households in India had an annual income of less than ₹ 0.2 million in Fiscal 2012. This proportion has reduced to reach 76% in Fiscal 2017 and is estimated to touch 65% in Fiscal 2022, with continuous increase in the GDP and household incomes. Proportion of middle-income India, defined as households with annual income of between ₹ 0.2 to 1 million, has been on a rise over the last decade and is expected to grow further with rise in disposable incomes. To illustrate, CRISIL MI&A estimates that there were 41 million households in India in this category as of Fiscal 2012, and by Fiscal 2030, they are projected to increase to 181 million households translating into a CAGR of 9% over this time-period.

A large number of these households, which have entered the middle-income bracket in the last few years, are likely to be from semi-urban and rural areas. The rise in incomes in these areas is also evident when one observes the trend in share of deposits coming into banks. As of March 2021, districts outside the top 200 districts, accounted for 30% of total deposits, up from the 25% share as of the same period in 2015. This growth in the number of middle-income households coupled with improvement in the financial literacy, access to information and awareness is expected to aid growth of NPS accounts.

*Household distribution by income*



Note: E: Estimated, P: Projected, The boxes on top of each bar in the chart represent the total number of households in millions;  
Source: CRISIL MI&A

### Tax benefit and option to choose equity schemes to bolster NPS subscriber accounts

Data on income tax filings by individuals further corroborates the rise in incomes as well as a steady rise in formalization over the last few years. The total number of tax filings have increased from 36.5 million in assessment year (“AY”) 2014-15 to 55.3 million in AY 2018-19. Further, the number of tax filings in the lower income bracket have declined over the years. The share of individuals with gross total income between ₹ 0.5 million to ₹ 1.0 million, which come under the tax bracket of 20% (according to old regime and 10%-15% as per new regime) has increased over the years from 18% in AY 2014-15 to 27% in AY 2018-19. Similarly, the share of individuals with gross total income of more than ₹ 1.0 million, which come under the tax bracket of 30% (according to old regime and 20%-30% as per new regime) has increased over the years from 7% in AY 2014-15 to 10% in AY 2018-19. Tax benefits offered by the NPS is expected to attract these individuals, leading to a growth in NPS accounts.

Further in Indian Union Budget 2022-23, the limit of deduction under section 80CCD of the Income Tax Act was proposed to be increased from existing 10% to 14% in respect to contribution made by the state government to the account of its employee. This amendment will take effect retrospectively from April 1, 2020 and will accordingly apply in relation to AY 2020-21 and subsequent years. This is expected to boost attractiveness for NPS.

In addition, investors under all-citizen model of pension funds have the option to invest based on their risk return profile and opt for lifecycle approach based on the stage, and thereby, decide to select the desired asset allocation across debt, equity and alternate assets and the fund manager, which is expected to bolster attractiveness for NPS.

### Increasing formalization of the economy to drive growth

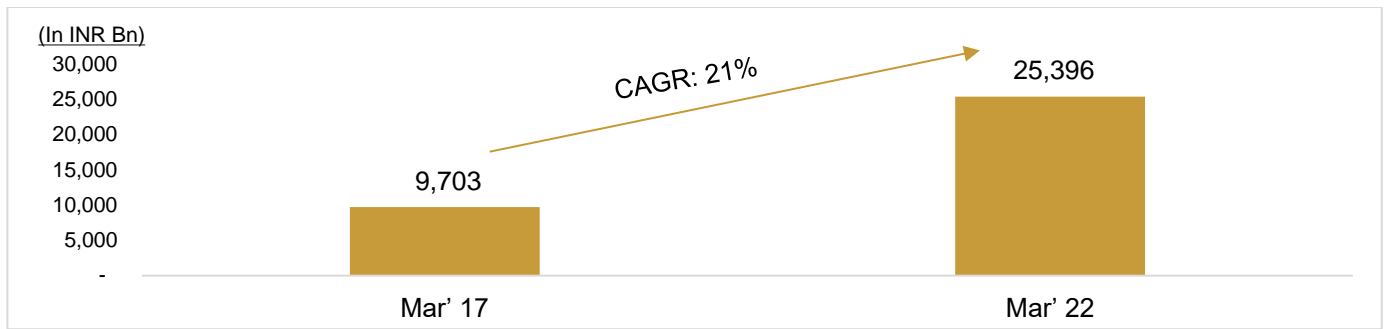
India has been promoting formalization of the economy since calendar year 2016, with measures such as demonetization, introduction of GST, digitization of financial transactions and enrolment of informal sector workers on various government internet portals. These measures have caused people to shift towards digital payments and discouraged businesses to deal with unregistered entities in the informal sector. Consequently, the informal sector got itself registered to remain in the supply chain leading to formalization of firms. Going forward, an increasing pace of formalization of firms coupled with rising number of new start-ups is expected to eventually lead to further formalization of workforce and the economy. Over the long term, this could also lead to rising number of subscribers and assets under management for NPS.

## F. DIRECT EQUITY INVESTMENTS

### Retail accounts for 9.7% in NSE companies at end of March 2022

The ownership of individual investors, namely investors excluding promoters and institutions, in NSE companies has increased steadily from 8.1% to 9.7% between March 2017 and March 2022. A steady increase over the last couple of years is a reflection of strengthened participation of retail investors in Indian equity markets. In term of market capitalization, the value of individual investors’ direct equity ownership in NSE companies have grown at a CAGR of approximately 21% between March 2017 and March 2022, with approximately 16% owing to rise in index and the remaining due to increased retail participation, as seen in this graph below:

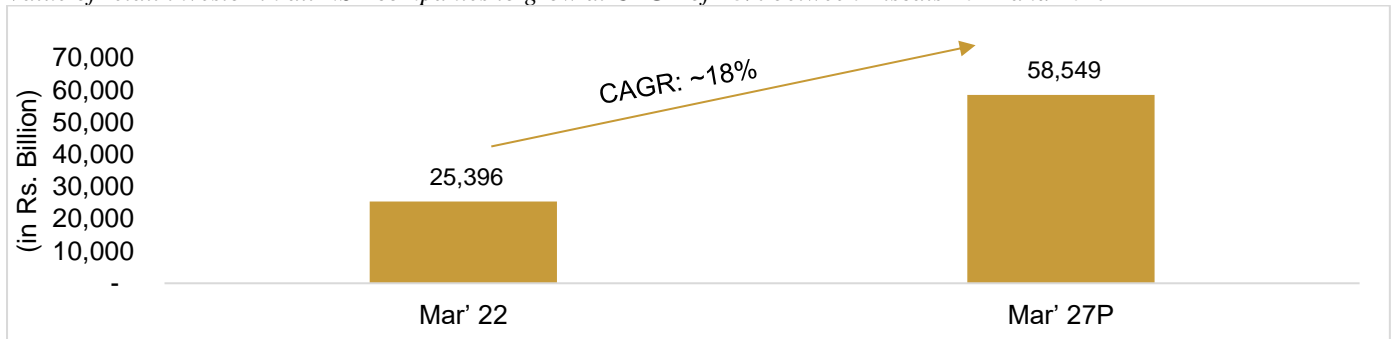
*Value of retail investor in NSE companies grew at a CAGR of 21% between March 2017 and March 2022*



Note: Data includes NSE companies, Value is computed basis the shareholding pattern; Source: NSE Market Pulse Report, NSE India Ownership Tracker, CRISIL MI&A

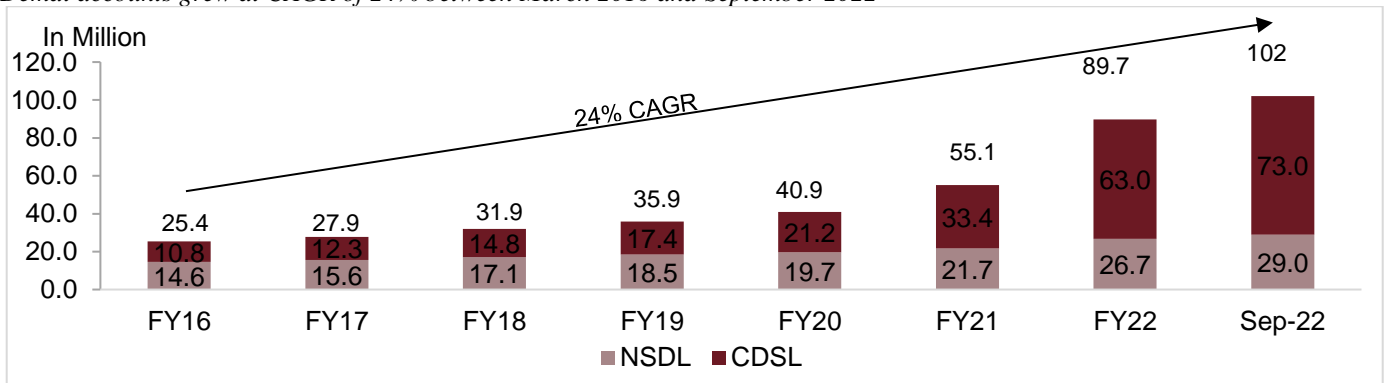
Equity markets jumpstarted calendar year 2022 on a high note, after successive on average declines in November and December 2021. BSE Sensex and NIFTY 50 rose 3.3% and 3.5% on month. However, the rise did not continue throughout the month. Further, weak global cues, including the United States Federal Reserve's plan to hike interest rates in March, soaring crude prices and the on-going tensions between Russia and Ukraine weighed on the investors. Between March 2022 and March 2027, CRISIL projects the value of individual investors' direct equity ownership in all NSE companies to grow at approximately 18% CAGR owing to rise in index, listing of new companies and increased participation of retail investors in equity markets.

Value of retail investor in all NSE companies to grow at CAGR of 18% between Fiscals 2022 and 2027



Source: NSE Ownership Tracker, NSE Market Pulse, CRISIL MI&A Estimates

Demat accounts grew at CAGR of 24% between March 2016 and September 2022



Note: SEBI Bulletin (October 2022), SEBI Annual Report, CRISIL MI&A

Growth in public shareholders since Fiscal 2018

	FY18	FY19	FY20	FY21	FY22	September-22
Public shareholders	44,519,501	48,040,935	57,805,680	75,214,194	113,337,999	125,805,528
Growth	6%	8%	20%	30%	51%	10%

Note: Above data includes shareholders of 306 companies which accounts for 70% of the market cap of NIFTY 500 companies as of 31st March 2022; Growth of 10% for September 2022 is over March 2022, Source: BSE, NSE, CRISIL MI&A

## Growth drivers

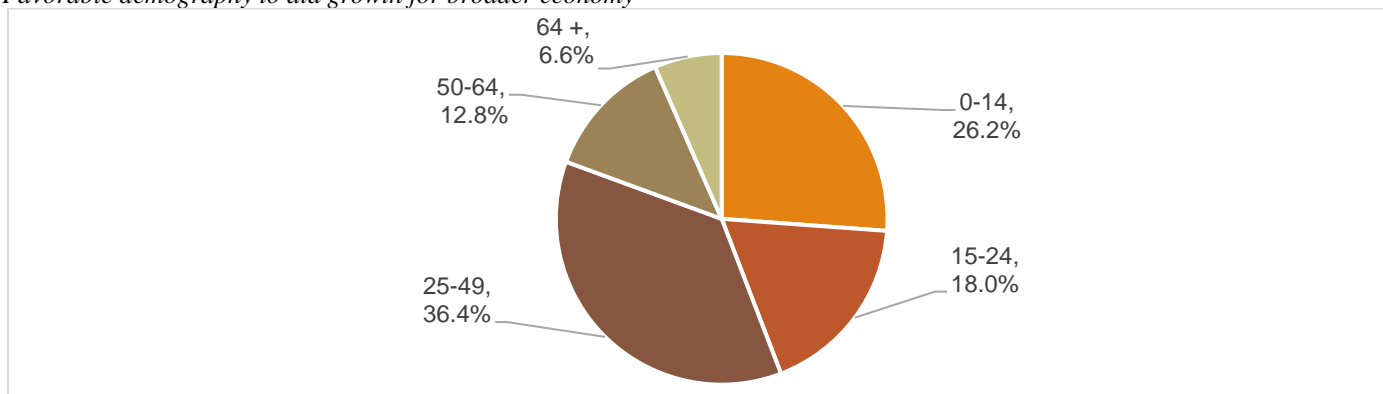
### Demographics profile to aid folio growth in capital markets

India has one of the most favorable demography among the major economies in the world with a median age of 28 years as per the world population prospects 2019. 67.3% of the population is currently of the working age and therefore demography is not only expected to aid consumption for the economy but also foster capital market participation. The increasing participation of the young

population in capital markets is expected to increase the breadth of the capital markets and thereby, support turnover and folio growth.

Further with regards to long-term investment products, the increase in life expectancy and aspirations of the working population, for instance, the need to build a strong corpus before retirement, is also increasing, leading to more focus on equity investments in capital markets.

*Favorable demography to aid growth for broader economy*



Source: United Nations, CRISIL MI&A

**Rise in financial savings and benign interest rate cycle will propel capital market growth**

The financial savings in India grew at a CAGR of 11% CAGR during the last five years. The increase in financial savings is calculated on a gross flow basis. The increase in financial savings is expected to aid investment in financial products including equity segment. The rising folios in mutual fund industry at a CAGR of 15.7% from Fiscal 2016 onwards further re-emphasis the trend. Further, the benign interest rates in the economy is likely to have led many savers to re-calibrating their risk profiles in search of higher yield and look beyond traditional financial products such as FDs with banks.

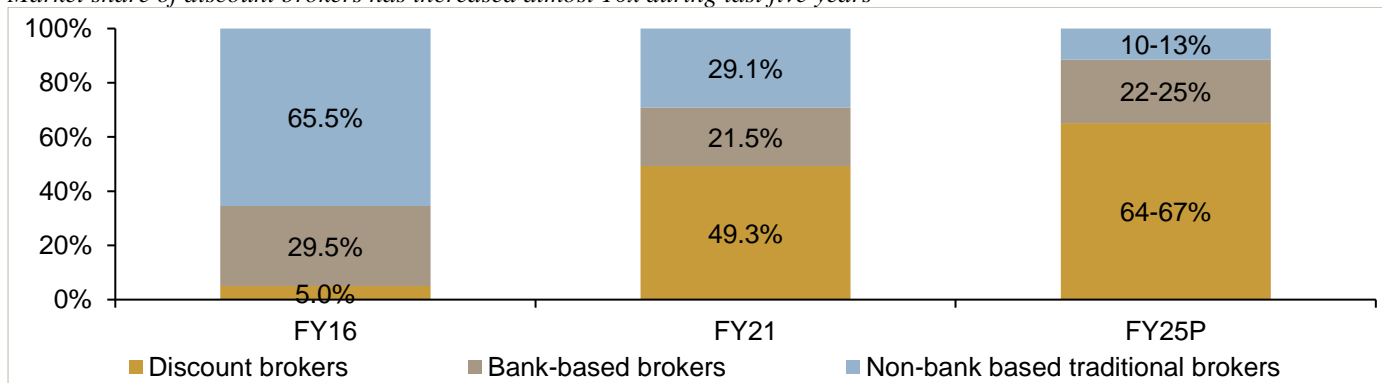
**Increasing awareness about capital markets among the population to aid industry growth**

The demat accounts in India have grown at a CAGR of approximately 20% in the last 4-5 years. This indicates the increasing awareness and willingness of the people to participate in capital markets for either trading or with long-term outlook. This has caused an increase in number of public shareholders/folios, which has spurred revenue for broking industry and players offering investor and issuer solutions. Going forward, the trend is expected to continue with rising awareness and increasing savings towards financial assets.

**Share of discount brokers to grow to approximately 64-65% by Fiscal 2025 owing to retail participation**

The discount brokers started gaining prominence from Fiscal 2017 onwards as rising internet and smartphone penetration acted as a tailwind for the segment. The mobile and internet-based trading has also witnessed a surge during the period and accordingly, many retail participants chose discount brokers over traditional brokers. This was because zero brokerage on equity delivery was a new offering in the industry started by the discount brokers. Therefore, rising financial literacy of India’s young population coupled with their tech-savviness, zero brokerage feature and comfort of transacting through digital platforms is expected to appeal India’s young population, which is expected to form a major portion of the incremental clients in the years to come.

*Market share of discount brokers has increased almost 10x during last five years*



Note: Discount brokers classified basis company disclosures and CRISIL MI&A’s analysis; Source: NSE, CRISIL MI&A

**Regulatory support towards digital adoption**

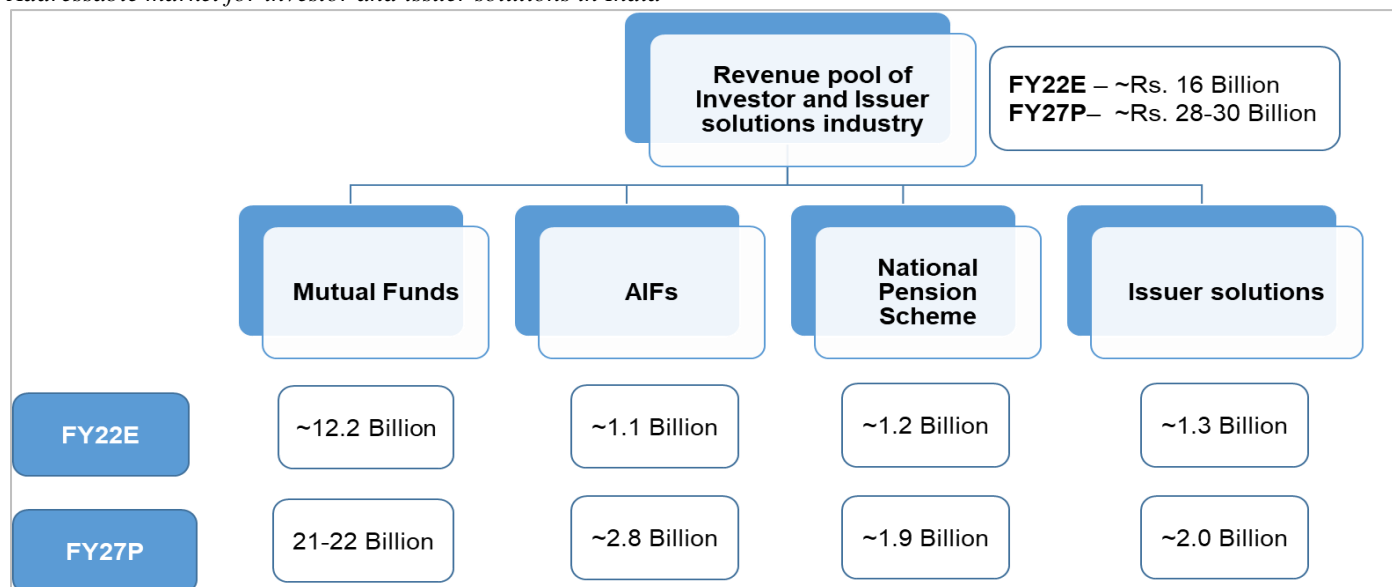
In recognition of the power of technology, SEBI identified a series of initiatives towards technology, such as: 'Innovation Sandbox',



an initiative to promote innovation both in terms of new products and services as well as new ways of delivering existing products and services; and 'Regulatory Sandbox', an initiative where entities regulated by SEBI were granted certain facilities and flexibilities to experiment with fintech solutions in a live environment and on a limited set of customers for a limited time frame. Further, for ease of doing business and investor convenience, SEBI has introduced various systems and portals such as SEBI Intermediary Portal and SEBI Complaints Redressal System.

## **SECTION 6: INVESTOR AND ISSUER SOLUTIONS IN INDIA**

*Addressable market for investor and issuer solutions in India*



*Note: E: Estimated. P: Projected, Overall revenue pool also includes revenue from various value-added service, Revenue Pool for Issuer solutions is estimated based on NSE 500 companies; Source: CRISIL MI&A Estimates*

### **A. INVESTOR SOLUTIONS PROVIDERS**

In the current fast-paced investment environment, MFs, publicly traded companies and financial institutions have multiple investors, who undertake several transactions in a day such as buying, selling or switching of share units. An accurate and updated record of these transactions needs to be maintained. This is where investor solutions providers come into the picture. These are authorized institutions that deal with all matters concerned with purchase, allocation, transfer and redemption of units for investors and AMCs. They also offer other products and services to various AIFs, wealth management firms and NPS.

Over the years, investor solutions providers have gone beyond the traditionally understood role of record keeping and transfer agents. They perform several critical functions in the capital market ecosystem around whom the manufacturers, investors and distributors life cycle revolve, irrespective of the channel through which the investment in a particular asset class happens. Every other constituent such as asset managers, brokers, distributors and advisors depend on their systems to some extent to service their respective clients.

CRISIL MI&A estimates the investor solutions market in India to be approximately ₹14-15 billion in Fiscal 2022.

#### **Mutual Funds**

##### **Investor solutions providers' offerings**

MF investor solutions providers act as a single window for investors and provide a bouquet of products and services for all industry stakeholders including distributors and AMCs. Their main activities are:

- Verifying and maintaining records of unit holder accounts including KYC
- Helping in buying and selling of MF units
- Providing wide branch network to AMCs as customer service points
- Channel relationship management and support such as distributor empanelment, fee computation and distributor servicing
- Preparing and mailing account statements
- Maintaining customer service departments and tele-calling facilities to address investor enquiries
- Providing all details regarding new fund offers, net asset value (“NAV”), and maturity details
- Providing sales material and other required handouts
- Regulatory and internal compliance and reporting, including tax
- Data bureau services (market share data in various cuts)

In addition, due to their vast repository of information on investor behavior and preferences, they often help AMCs tailor products

and services in accordance with the market need.

In India, there are two leading investor solutions providers as of September 30, 2022, CAMS and KFintech and their concentration can be attributed to the following reasons:

- High technological intensity and compliance requirements
- Ability to offer competitive pricing owing to high operating leverage
- Knowledge base and reputation built through years of experience
- Need to have an extensive branch network

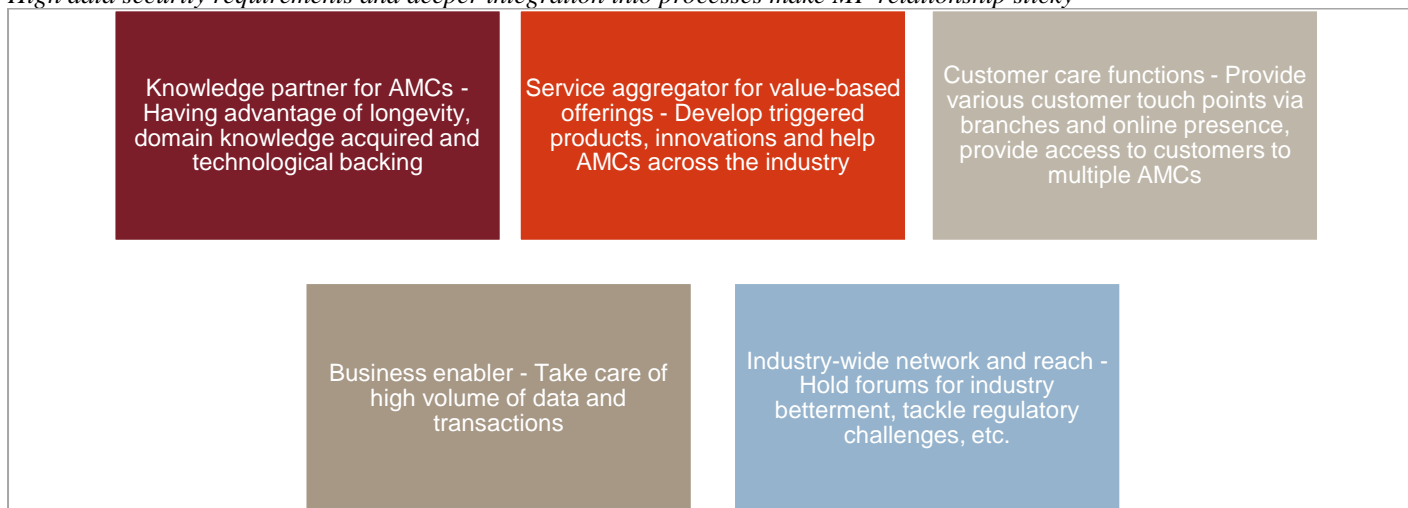
**Deep integration with MF ecosystem makes the relationship with investor solutions providers sticky resulting in high entry barriers and switching costs**

From a MF’s perspective, earlier, investor solutions providers provided good access across the country and helped save costs. Initially, with offices across the country, they used to serve as branches for MFs and help increase sales. However, over the past few years, the industry has increased focus and shifted towards branchless or digital models to increase outreach and cater to the customers and hence, the significance of branch led model is diminishing.

In the current scenario, technology integration, understanding of AMC, distributor and investor requirements, capability to tweak service model as per respective client needs at optimum cost, faster turnaround time (“TAT”) with better efficiency are the real reasons for client stickiness besides regulatory hassles and business disruption. Thus, long-term relationship with the client and a strong delivery track record creates limited incentive for the AMCs to migrate to another player. The amount of time to be invested in migration, a high risk of business disruption, data loss, as well as customer and regulatory issues make it a bigger task for the MFs to switch service providers. As a result of these, newer entrants find it difficult to get traction and as on date, it is largely a two-player industry. This is similar as in the case of MIIs and Key Intermediaries where there are a handful of scaled-up players in exchanges, depositories, clearing corporations, KRA and CRAs. The mutual fund investor solutions market has seen consolidation over the last three years, wherein KFintech took over the RTA operations of Sundaram BNP Fund Services (that served two AMCs, namely, Sundaram and BNP), while CAMS took over the in-house RTA operations of Franklin Templeton.

SEBI has set a cut-off time for investment to be eligible for that day’s NAV. Investors can avail services to make multiple investments, instead of running to numerous fund houses. Thus, with a single agent servicing numerous fund houses provides a hassle-free experience to the investors.

*High data security requirements and deeper integration into processes make MF relationship sticky*



Source: Industry interactions, CRISIL MI&A

**Competitive Scenario**

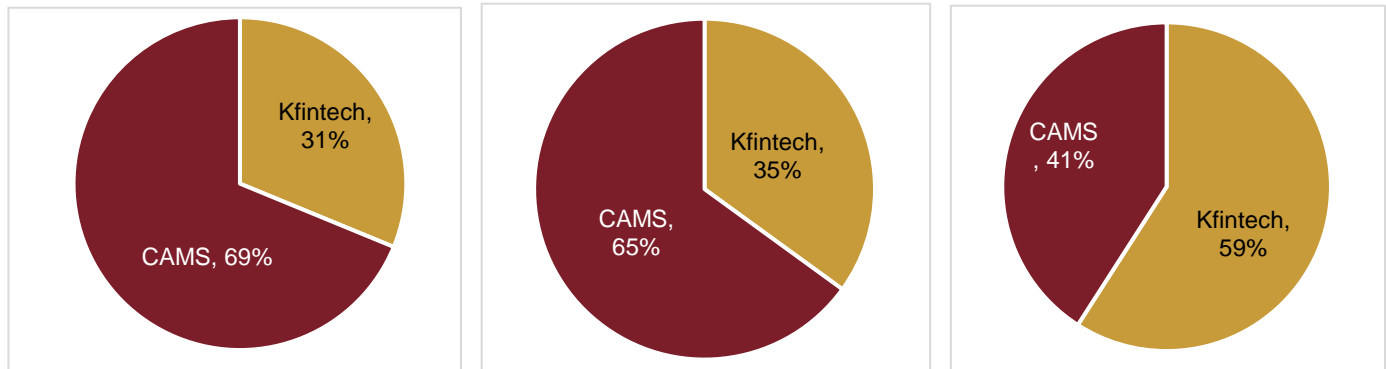
At end of September 2022, total AUM of mutual funds serviced by CAMS and KFintech stood at 69% and 31% respectively. However, in terms of number of AMCs serviced, KFintech is the largest investor solutions provider to mutual fund industry, providing services to 24 out of the 41 AMCs operating at end of September 2022, thereby accounting to 59% of the market in terms of clientele.

In addition, KFintech is mandated by two AMCs, namely, Bajaj Finserv and Frontline Capital Services (both are yet to commence operations) for their RTA services as on September 30, 2022. CAMS is also mandated by Zerodha (yet to commence operations) for their RTA services. As of September 30,2022, Helios Capital Management PTE Limited has not appointed an RTA. As of September 30, 2022, KFintech has also on-boarded 15 of the last 21 mutual funds launched in India.

**KFintech has 31% share in total MF AUM (September 2022)**

**KFintech has a 35% share in terms of Equity AUM (September 2022)**

**KFintech has a 59% share in terms of clients (September 2022)**



Note: Equity AUM includes equity and hybrid funds, Kfintech's AUM historically includes AUM of two AMCs, namely, Sundaram and BNP Paribas as Kfintech acquired them as clients through a business transfer agreement with Sundaram BNP Paribas Fund Services in Fiscal 2020. CAMS AUM includes Franklin Templeton AUM historically which they acquired in Fiscal 2022, Overall and Equity AUM data represents QAAUMs, Source: AMFI, CRISIL MI&A

Historical evolution of overall AAUM and Equity AAUM managed by the clients of CAMS and Kfintech and serviced by CAMS and Kfintech, respectively

₹ trillion	CAMS AAUM		Kfintech's AAUM		CAMS market share		Kfintech's market share	
	Overall	Equity	Overall	Equity	Overall	Equity	Overall	Equity
<b>FY20 AAUM*</b>	<b>19.6</b>	<b>7.8</b>	<b>6.7</b>	<b>3.2</b>	<b>75%</b>	<b>71%</b>	<b>25%</b>	<b>29%</b>
<b>Apr-20</b>	<b>17.4</b>	<b>6.3</b>	<b>6.1</b>	<b>2.8</b>	<b>74%</b>	<b>69%</b>	<b>26%</b>	<b>31%</b>
<b>May-20</b>	<b>17.9</b>	<b>6.5</b>	<b>6.4</b>	<b>2.9</b>	<b>74%</b>	<b>69%</b>	<b>26%</b>	<b>31%</b>
<b>Jun-20</b>	<b>19.2</b>	<b>7.0</b>	<b>6.9</b>	<b>3.2</b>	<b>73%</b>	<b>69%</b>	<b>27%</b>	<b>31%</b>
<b>Jul-20</b>	<b>20.0</b>	<b>7.3</b>	<b>7.3</b>	<b>3.4</b>	<b>73%</b>	<b>68%</b>	<b>27%</b>	<b>32%</b>
<b>Aug-20</b>	<b>20.2</b>	<b>7.5</b>	<b>7.6</b>	<b>3.5</b>	<b>73%</b>	<b>68%</b>	<b>27%</b>	<b>32%</b>
<b>Sep-20</b>	<b>20.1</b>	<b>7.4</b>	<b>7.6</b>	<b>3.6</b>	<b>72%</b>	<b>68%</b>	<b>28%</b>	<b>32%</b>
<b>Oct-20</b>	<b>20.5</b>	<b>7.5</b>	<b>7.8</b>	<b>3.7</b>	<b>72%</b>	<b>67%</b>	<b>28%</b>	<b>33%</b>
<b>Nov-20</b>	<b>21.6</b>	<b>7.9</b>	<b>8.3</b>	<b>3.9</b>	<b>72%</b>	<b>67%</b>	<b>28%</b>	<b>33%</b>
<b>Dec-20</b>	<b>22.4</b>	<b>8.3</b>	<b>8.6</b>	<b>4.1</b>	<b>72%</b>	<b>67%</b>	<b>28%</b>	<b>33%</b>
<b>Jan-21</b>	<b>22.9</b>	<b>8.5</b>	<b>8.9</b>	<b>4.3</b>	<b>72%</b>	<b>66%</b>	<b>28%</b>	<b>34%</b>
<b>Feb-21</b>	<b>23.1</b>	<b>8.9</b>	<b>9.2</b>	<b>4.5</b>	<b>72%</b>	<b>66%</b>	<b>28%</b>	<b>34%</b>
<b>Mar-21</b>	<b>22.9</b>	<b>9.0</b>	<b>9.2</b>	<b>4.6</b>	<b>71%</b>	<b>66%</b>	<b>29%</b>	<b>34%</b>
<b>Apr-21</b>	<b>23.1</b>	<b>9.0</b>	<b>9.3</b>	<b>4.6</b>	<b>71%</b>	<b>66%</b>	<b>29%</b>	<b>34%</b>
<b>May-21</b>	<b>23.4</b>	<b>9.3</b>	<b>9.6</b>	<b>4.9</b>	<b>71%</b>	<b>66%</b>	<b>29%</b>	<b>34%</b>
<b>Jun-21</b>	<b>24.0</b>	<b>9.9</b>	<b>10.1</b>	<b>5.2</b>	<b>70%</b>	<b>66%</b>	<b>30%</b>	<b>34%</b>

₹ trillion	CAMS AAUM		KFintech's AAUM		CAMS market share		KFintech's market share	
	Month	Overall	Equity	Overall	Equity	Overall	Equity	Overall
Jul-21	24.7	10.3	10.5	5.4	70%	66%	30%	34%
Aug-21	25.3	10.7	10.8	5.7	70%	65%	30%	35%
Sep-21	26.1	11.4	11.4	6.1	70%	65%	30%	35%
Oct-21	26.5	11.8	11.7	6.3	69%	65%	31%	35%
Nov-21	26.6	11.8	11.8	6.4	69%	65%	31%	35%
Dec-21	26.2	11.7	11.7	6.3	69%	65%	31%	35%
Jan-22	26.8	12.1	12.1	6.6	69%	65%	31%	35%
Feb-22	26.5	11.9	12.0	6.4	69%	65%	31%	35%
Mar-22	25.9	11.8	11.8	6.3	69%	65%	31%	35%
Apr-22	26.6	12.3	12.2	6.7	68%	65%	32%	35%
May-22	25.7	11.8	11.6	6.3	69%	65%	31%	35%
Jun-22	25.6	11.6	11.4	6.2	69%	65%	31%	35%
Jul-22	26.0	12.0	11.8	6.5	69%	65%	31%	35%
Aug-22	27.0	12.8	12.5	6.9	68%	65%	32%	35%
Sep-22	27.3	12.9	12.6	7.1	68%	65%	32%	35%

Note: \*Represents the year average AAUM for fiscal 2020, Monthly data represents average AUM for the month, Equity AAUM includes AUM under Equity and Hybrid funds, KFintech's AUM historically includes AUM of two AMCs, namely, Sundaram and BNP Paribas as KFintech acquired them as clients through a business transfer agreement with Sundaram BNP Paribas Fund Services in Fiscal 2020. CAMS AUM includes Franklin Templeton AUM historically which they acquired in Fiscal 2022, AAUM – Average AUM, Source: AMFI, CRISIL MI&A

#### Evolution of market share of CAMS and KFintech by number of clients

Number of Clients	CAMS	Market Share	KFintech	Market Share	Others	Market Share	Total
Mar-19	16	40%	21	53%	3*	8%	40
Mar-20	16	39%	24	59%	1^	2%	41
Dec-20	16	39%	24	59%	1	2%	41
Mar-21	16	39%	24	59%	1	2%	41
Jun-21	16	39%	24	59%	1	2%	41
Sep-21	17	39%	24	59%	0	0%	41
Dec-21	17	40%	25	60%	0	0%	42
Mar-22	17	41%	24	59%	0	0%	41
Jun-22	17	41%	24	59%	0	0%	41
Sep-22	17	41%	24	59%	0	0%	41

Note: \*Others include Sundaram, BNP Paribas and Franklin Templeton, Sundaram and BNP Paribas as KFintech acquired them as clients through a business transfer agreement with Sundaram BNP Paribas Fund Services in Fiscal 2020, ^Include CAMS only which started servicing FT AUM from July 2021; Source: AMFI, CRISIL MI&A

## Total AUM of MFs serviced by KFinTech have been growing faster than MFs serviced by CAMS

At end of September 2022, total AUM of mutual funds serviced by KFinTech witnessed a faster CAGR of 19.7% as compared to 13.7% for mutual fund serviced by CAMS between March 2019 and September 2022. This has led to an increase in KFinTech's market share from 28% in March 2019 to 31% in September 2022.

Overall AUM (in ₹ Billion)	Mar-19	Mar-20	Mar-21	Mar-22	Sep-22	CAGR
<b>CAMS</b>	17,630.4	19,811.4	22,999.3	26,411.5	26,764.3	13.7%
<b>KFinTech</b>	6,853.5	7,224.9	9,106.9	11,968.4	12,294.7	19.7%

Note: KFinTech's AUM historically includes AUM of two AMCs, namely, Sundaram and BNP Paribas as KFinTech acquired them as clients through a business transfer agreement with Sundaram BNP Paribas Fund Services in Fiscal 2020. CAMS AUM includes Franklin Templeton AUM historically which they acquired in Fiscal 2022, Above data includes QAAUM; Source: AMFI, CRISIL MI&A

Market share in Overall MF AUM	Mar-19	Mar-20	Mar-21	Mar-22	Sep-22
<b>CAMS</b>	72%	73%	72%	69%	69%
<b>KFinTech</b>	28%	27%	28%	31%	31%

Note: KFinTech's AUM historically includes AUM of two AMCs, namely, Sundaram and BNP Paribas as KFinTech acquired them as clients through a business transfer agreement with Sundaram BNP Paribas Fund Services in Fiscal 2020. CAMS AUM includes Franklin Templeton AUM historically which they acquired in Fiscal 2022, Above data includes QAAUM, Source: AMFI, CRISIL MI&A

## Equity AUM (including equity and hybrid funds) of MFs serviced by KFinTech have been growing faster than MFs serviced by CAMS

At end of September 2022, total equity (including equity and hybrid funds) AUM of mutual funds serviced by KFinTech has witnessed a faster CAGR of 31% as compared to 17% for mutual fund serviced by CAMS between March 2019 and September 2022. This has led to an increase in KFinTech's market share from 27% in March 2019 to 35% in September 2022.

Equity AUM (in ₹ Billion)	Mar-19	Mar-20	Mar-21	Mar-22	Sep-22	CAGR (Mar-19 to Sep-22)
<b>CAMS</b>	7,307	7,857.6	7,667.9	10,971.7	12,585.87	17%
<b>KFinTech</b>	2,642	3,164.4	3,714.9	5,841.6	6,833.15	31%

Note: Equity AUM includes Equity and Hybrid funds, above data includes AAUM for the full year at end of respective fiscals; QAAUM for September 2022 has been considered; Source: AMFI, CRISIL MI&A

Market share in equity AUM	Mar-19	Mar-20	Mar-21	Mar-22	Sep-22
<b>CAMS</b>	73%	71%	67%	65%	65%
<b>KFinTech</b>	27%	29%	33%	35%	35%

Note: Equity AUM includes Equity and Hybrid funds; Above data includes AAUM for the full year at end of respective fiscals; QAAUM for September 2022 has been considered; Source: AMFI, CRISIL MI&A

## Proportion of equity AUM (including equity and hybrid funds) for KFinTech is higher than that of CAMS

At end of March 2019, equity AUM as a proportion of overall AUM for industry stood at 42% and increased to 50% at end of September 2022. During the same time, share of equity AUM as a proportion of total AUM serviced by KFinTech increased from 44% in March 2019 to 56% in September 2022. For CAMS, the share of equity AUM as a proportion of total AUM serviced stood at 47% at end of September 2022.

Share of Equity AUM in Overall AUM	Mar-19	Sep-22
<b>KFinTech</b>	44%	56%
<b>CAMS</b>	42%	47%
<b>Industry</b>	42%	50%

Note: Equity AUM includes Equity and Hybrid funds; KFinTech's and CAMS' share is calculated as Equity AUM of respective company / Total AUM serviced by respective company; Source: AMFI, CRISIL MI&A

## Monthly Equity AUM (including equity and hybrid funds) of MFs serviced by KFinTech have been growing faster than MFs serviced by CAMS

Between March 2021 and September 2022, monthly average equity (including equity and hybrid funds) AUM of mutual funds serviced by KFinTech has witnessed a faster CAGR of 90% as compared to 73% for mutual fund serviced by CAMS. This has led to an increase in KFinTech's market share from 33.9% in March 2021 to 35.3% in September 2022.

Equity AUM (in ₹ Billion)	Mar-21	Sep-22	CAGR (Mar-21 to Sep-22)
<b>KFinTech</b>	4,596.23	7,065.80	91%
<b>CAMS</b>	8,978.06	12,934.77	73%

Note: Equity AUM includes Equity and Hybrid funds; Above data includes MAAUM for the respective months; Source: AMFI, CRISIL MI&A

Market share in equity AUM	Mar-21	Sep-22
CAMS	66.1%	64.7%
KFintech	33.9%	35.3%

Note: Equity AUM includes Equity and Hybrid funds; Above data includes MAAUM for the respective months; Source: AMFI, CRISIL MI&A

### Share of CAMS and KFintech in monthly SIP inflows stood at 58% and 42% respectively at end of September 30, 2022

Between March 2021 and September 2022, share of KFintech in overall monthly SIP inflow has increased from 41% to 42%. At end of September 2022, share of CAMS in overall monthly SIP inflow stood at 58%.

Monthly SIP Inflow (in ₹ Billion)	Mar-21	Sep-22
CAMS (in ₹ Billion)	54.20	75.30
Share in Monthly SIP	59%	58%
KFintech (in ₹ Billion)	37.62	54.46
Share in Monthly SIP	41%	42%
Industry Monthly SIP Inflow (in ₹ Billion)	91.82	129.76

Note: Above data represents Monthly SIPs for the respective months; Source: AMFI, CRISIL MI&A

### Share of CAMS and KFintech in Mutual fund folios stood at 52.8% and 47.2% respectively at end of September 30, 2022

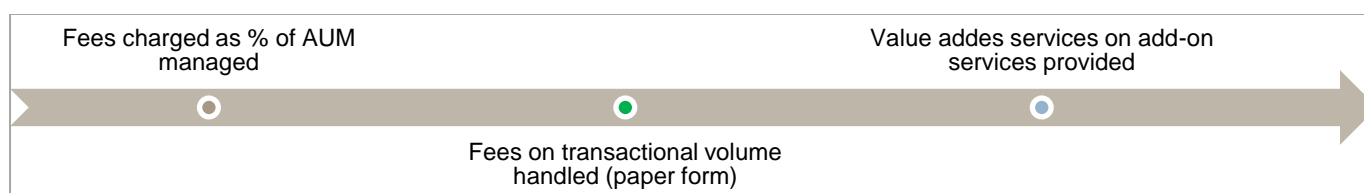
Between March 2021 and September 2022, share of KFintech in overall mutual fund folios have increased from 42.5% to 47.2%. During the same time, share of CAMS in overall mutual fund folios reduced from 57.5% and 52.8%.

Mutual Fund Folio	Mar-21	Sep-22
CAMS (Mutual Fund Folios in Million)	56.22	72.90
Share of CAMS	57.5%	52.8%
KFintech (Mutual Fund Folios in Million)	41.64	65.18
Share of KFintech	42.5%	47.2%
Mutual Fund Folios for overall MF Industry (in Million)	97.86	138.08

Note: Industry data includes Domestic Find of fund schemes; Source: AMFI, CRISIL MI&A

### Revenue model of MF investor solutions providers

The revenue model of MF investor solutions providers typically revolves around the AUMs handled, mix of AUM across categories such as equity, debt, liquid, hybrid and others, volume of both digital and paper-based transactions, and fees on value-added products and services offered. However, for AMCs with low AUM, a minimum threshold fee is charged by investor solutions providers. Further, the evolution of value-added services through usage of new and advanced technologies is expected to open new avenues for service providers to provide and charge various value-added products and services to the AMCs. These products and services are expected to allow AMCs to focus on their core function of portfolio allocation and management instead of managing the non-core functions of the business.



Source: Industry interactions, CRISIL MI&A

Major part of the revenue earned by MF investor solutions providers (approximately 80%) is by means of fees charged on the AUMs managed by the AMCs for which the service is provided. These fees are generally tiered in nature and tend to decrease as a proportion of total AUMs of the fund house once the AUMs surpass the tiers for which the fees are agreed on. The other major portion of revenue is the charge for handling of transactions which include both paper-based and digital transactions of AMCs, for which considerable effort is needed to enter the details into the system for effective record keeping and reporting. Although the proportion of these transactions may be going down with increasing usage of the online medium, they still form a good portion of MF investor solutions provider's revenue due to the higher dependence of institutional investors on paper-based systems.

In addition, some portion of the revenue is realized through valued added products and services provided by them to various stakeholders that revolve around their major primary activities involving AMCs. Some of the value-added services include analytics, customer relationship management, branch support and technology support services. This revenue, though small, is part of the larger function that makes investor solutions providers an integral part of the AMC business and is projected to grow faster as technology adoption continues to increase in the industry and customers demand better investing experience.

Fees charged by investor solutions providers is the highest for equity AUMs, which augurs well for them with rising investments in equity funds.

As can be observed from the table below, MF investor solutions providers earn the highest fee from equity and balanced funds (including passive funds as index funds) and the least fee from passively managed ETFs (major part of 'Others' funds). With the increase in AUM managed, the fees charged as a proportion of AUM has been trending lower. Average pricing of approximately 0.067% of AUM in Fiscal 2017 declined to approximately 0.055% of AUM in Fiscal 2021 for equity funds. However, total expense ratio ("TER") never had a huge implication on the RTA fees. The fee is a very small marginal portion of the overall expense ratio, given that the service provider handles critical part of the AMC operations. The overall blended pricing earned by service providers reduces owing to AMCs moving up in the tiered structure of AUM, as they achieve scale.

CRISIL MI&A estimates the revenue pool for mutual fund services to be approximately ₹ 12 billion at end of Fiscal 2022. Going forward as well, CRISIL MI&A expects a moderate reduction in fees charged as a proportion of AUM as the size of industry AUM increases. However, investor solutions providers are expected to benefit from an expected increase in the share of equity and hybrid funds in industry AUM leading to an increase in revenue pool to ₹ 21-22 billion by end of Fiscal 2027.

*Trend in average fees charged by investor solutions providers as a percentage of AUM*

	FY17	FY18	FY19	FY20	FY21	FY22
Equity funds	0.065% - 0.070%	0.063% - 0.067%	0.060% - 0.065%	0.057% - 0.061%	0.053% - 0.057%	0.051% - 0.055%
Hybrid	0.059% - 0.063%	0.059% - 0.063%	0.058% - 0.061%	0.055% - 0.059%	0.050% - 0.055%	0.050% - 0.054%
Debt	0.023% - 0.027%	0.023% - 0.027%	0.022% - 0.026%	0.022% - 0.026%	0.022% - 0.025%	0.022% - 0.025%
Liquid	0.018% - 0.022%	0.018% - 0.022%	0.018% - 0.022%	0.017% - 0.022%	0.016% - 0.020%	0.016% - 0.020%
Others	0.022% - 0.026%	0.018% - 0.022%	0.014% - 0.019%	0.012% - 0.017%	0.010% - 0.015%	0.010% - 0.015%

*Note: Others include ETFs, Data includes market median fees at end of respective Fiscals; Source: Industry interactions, CRISIL MI&A estimates*

**Growth Drivers for Mutual Funds investor solutions providers**

Mutual Fund investor solutions provider benefit from multiple growth drivers. Apart from underlying growth drivers for the mutual fund industry such as macroeconomic growth, increase in corporate earnings, increase in household financial savings, increase in mutual fund penetration and awareness, continuous improvement in ease of investing and promotional campaigns by the mutual fund industry, as discussed earlier, these players are also expected to benefit from the following factors

*Enhanced monitoring of QRTAs a positive for the industry*

Since QRTAs hold sensitive financial data of a large number of investors, they are required to comply with enhanced monitoring requirements. This is prescribed to take care of concerns arising out of protection of sensitive data, data availability and transparency in the functioning of QRTAs. Certain compliance requirements are prescribed for QRTAs with respect to data security and systems audits. The QRTAs have to formulate and implement a comprehensive policy framework approved by the board of directors of QRTAs.

Having the enhanced reporting requirement framework in place, the compliance report duly reviewed by board of directors of QRTAs has to be submitted to SEBI within 60 days of each calendar quarter. The main purpose of having to comply with enhanced reporting requirement by QRTAs is to protect the interests of investors in securities and to promote the development and regulation of the securities market. CRISIL MI&A believes that the enhanced regulation for QRTAs is a positive step for the industry as it is expected to enhance the comfort level of investors interfacing with QRTAs and promote the orderly development of the industry.

*Enhanced digitization across industry, beneficial for investor solutions providers*

Technology is expected to play a pivotal role in taking the financial sector to the next level by helping overcome the challenges stemming from India's vast geography. India's demographic structure, with the median age at 28 years, is also favorable for technological advancement in the sector. Increasing smartphone penetration and improved data speed are expected to support digitization of the sector, which, in turn, is expected to help AMCs lower their cost and improve overall efficiency. Service providers with better mobile and digital platforms are expected to be better positioned to acquire new customers entering the industry. The growth in AUM through the direct route may be partially attributed to the ease of transactions facilitated by online portals, including mobile applications. While the direct route is mainly used by institutional investors, CRISIL has seen a gradual increase in the share of individual investors through this route. Introduction of Aadhaar-based is expected to allow investors residing in India to access any AMC website to complete their e-KYC process. This is expected to reduce time and cost associated with paper on-boarding

processes and the inconvenience threshold, which keeps a section of investors from entering the market.

Further, investor solutions providers have been offering value added services and applications that help investors better access their investments across fund houses. By making use of mobile applications, investors can access all their investments on-the-go from only one application.

All technology-led enhancements have resulted in reduced paper-based transactions, helping save costs and increase operational efficiency

Over the years, data standards and reports have been harmonized to a large degree. Having a technology platform and real-time connectivity of service centers to the central data center ensures high service standards, irrespective of investor location and mode. With digitization, there is no difference in service turnarounds for transactions submitted through paper from a remote location which, in turn, increases investor trust and confidence, both vital for growth. Manual processes are expensive, time consuming and increase the risk of operational errors, and digitization of the industry has helped improve operational efficiency of investor solutions providers. Greater automation is the key to providing clients with more cost-effective, accurate and low risk solutions. This is also expected to lead to a lower headcount, lowering turnover rates, reducing training and re-training expenses and ensuring a greater focus on technological solutions that can be replicated by the service provider across clients in a scalable and cost-effective manner.

### **Alternative Investment funds**

Wide array of products and services are provided by investor solutions providers to AIFs as well as the investors. Moving away from just being keepers of records and transaction processors, the investor solutions providers have evolved their offerings to AIFs by providing an entire solution of services. They support AIFs in the entire gamut of their operations by providing numerous services that, if performed independently by the AIF, would result in higher investment and operational hassle. Partnering with these firms who are operationally more equipped and focused on these aspects helps the AIFs eliminate this pain.

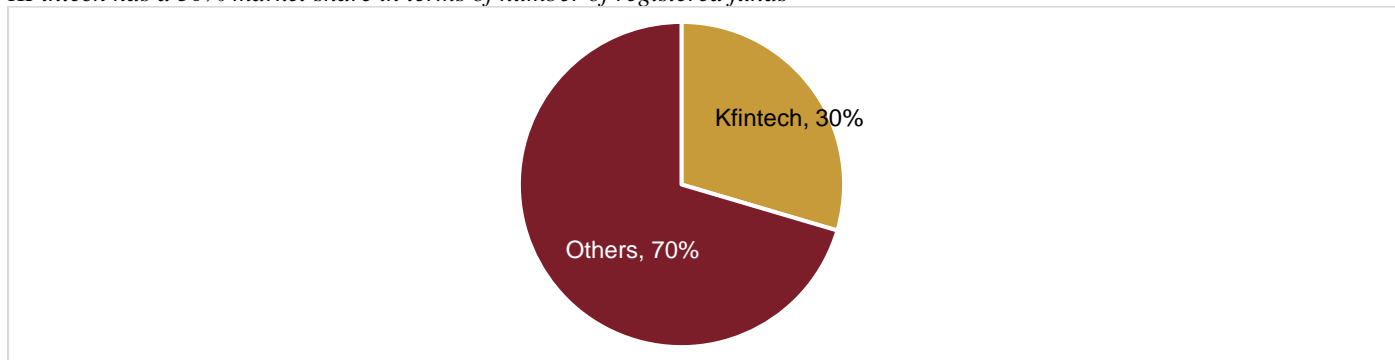
Various services that an investor solutions provider offer to an AIF includes but is not limited to:

- Data Processing
- Reporting and management information system (“MIS”)
- Reconciliation
- Whole bouquet of fund accounting services
- Operations and administration
- Investor service management
- Corporate actions/tax related support
- Investor servicing and record creation
- Drawdown and collection management
- Intermediaries’ revenue management

### **Competitive Scenario**

Out of the 1,018 SEBI registered alternative investment funds, Kfintech currently services 301 funds of 192 asset managers in India as of September 30, 2022, thereby accounting to 30% of the total market share whereas remaining 70% is serviced by other players operating in the same segment. Another key player in this segment is CAMS.

*Kfintech has a 30% market share in terms of number of registered funds*



*Note: Market share is computed based on the number of registered AIFs; Source: SEBI, Company Reports, CRISIL MI&A*

### **Revenue Model: Serving AIFs is comparatively a low complexity offering for investor solutions providers**

AIFs usually require a similar bouquet of services as that by MF AMCs to carry out their operations. However, AIF requirements are less complex, and the changes are less frequent. Accordingly, fees charged by MF investor solutions players for AIF is usually in the range of 0.025% to 0.035% of AUM (as of Fiscal 2022). Further, there are minimum guaranteed revenue for these service providers based on AUM scale in order to provide economic sustainability. The services of existing MF services well suit their need,



and the investor solutions provider can leverage their technological and infrastructural investment to better service this industry. These economies of scale can help them better apply their accumulated knowledge for enhancing offerings to stake holders at minimal extra costs.

Regulatory requirements for AIFs are lower in comparison with MFs. The AIFs cater only to HNIs and thus do not require extensive touch points or customer reach. This leads to lesser risk and controls with lower investment needs, making the costs for servicing these clients relatively low for investor solutions providers. Furthermore, owing to pre-existing capabilities, the MF investor solutions providers are better equipped to offer solutions to the industry participants.

The investor solutions industry currently serving the AIFs for various activities is estimated to be ₹ 1.1 billion at end of Fiscal 2022. Going forward, the market size of the investor solutions offerings is expected to increase with a rise in overall AUMs and incremental service offerings leading to expansion in revenue pool to approximately ₹2.8 billion by end of Fiscal 2027. This is expected to include a minimum basic fee for standard fund sizes over which additional fees to be charged for incremental AUMs in a tiered manner just like in the case of MF AUMs.

### **Switching investor solutions providers is not preferred by AIFs**

For AIFs, as the life cycle of the fund is close to seven years, switching midway is not a preferred option. Further, for different funds, having different set of investor solutions providers is not preferred as the customer set is usually similar and, apart from certain exception cases, customers prefer similar services. In addition, having the same investor solutions provider provides the AIFs with better bargaining power as compared to having multiple providers for different funds from the same fund house.

### **Setup cost and operational partnership are the prime factors influencing selection of an investor solutions provider**

For AIFs that are relatively newer, setup cost is a large upfront expense to be paid. It is often the prime factor of consideration for selection of an investor solutions provider. Moreover, investor solutions providers providing customized options that better suit the needs of the fund at costs that are affordable by the funds are preferred. Funds also prefer those investor solutions providers who are flexible with structuring the payments because funds prefer paying them as and when the drawdowns are received.

Investor solutions providers based out of specific locations, owing to associated regulatory charges such as stamp duty, and having remote capabilities are also given preference. A long-term relationship is most desirable for the funds and thus, the terms and specific conditions are settled upon at the initial stages of the agreement itself.

Funds with a smaller number of folio accounts negotiate lower fees with investor solutions providers owing to lower operational requirements. In lieu of this, further added services are generally demanded by these AIFs. Over the past decade, the investment management industry has seen a growing trend of firms choosing to outsource key operations such as fund accounting and administration to these service providers.

### **Growth Drivers for Service Providers to AIFs**

#### **Increasing inflow of funds into AIFs to augur well for the investor solutions providers**

The phenomenal rise of many AIFs and rising inflow of funds into this category, and the expected growth in AIF industry, is expected to help the allied investor solutions industry expand by serving the rising demand. The investor solutions providers have been able to increase their share of revenues from the AIFs by providing a plethora of operational services mentioned above.

The investor solutions industry currently serving the AIFs for various activities is estimated to be approximately ₹ 1.1 billion at end of Fiscal 2022. Going forward, it is expected that the investor solutions providers will continue to effectively enhance their offerings to the AIFs. However, with rising AUMs, the fees are expected to be tiered in nature and, as a result, will fall as a proportion of total AUMs. Nonetheless, the market size of the investor service offerings is expected to increase with a rise in overall AUMs and incremental product and service offerings leading to expansion in revenue pool to approximately ₹2.8 billion by end of Fiscal 2027. This is expected to include a minimum basic fee for standard fund sizes over which additional fees to be charged for incremental AUMs in a tiered manner just like in the case of MF AUMs.

### **Wealth Management**

#### **Investor solutions providers' offerings for wealth management companies**

Investor solutions providers act as a one stop solution for investors and provide a bouquet of services for all industry stakeholders including distributors and AMCs. Due to their vast repository of information on investor behavior and preferences, they often help wealth managers tailor products and services in accordance with the market need. Since these investor solutions providers are part of the life cycle of the fund, switching midway is not a preferred option. It doesn't make sense operationally as well as economically to have different service providers for different offerings.

*Various services offered includes:*



Source: CRISIL MI&A

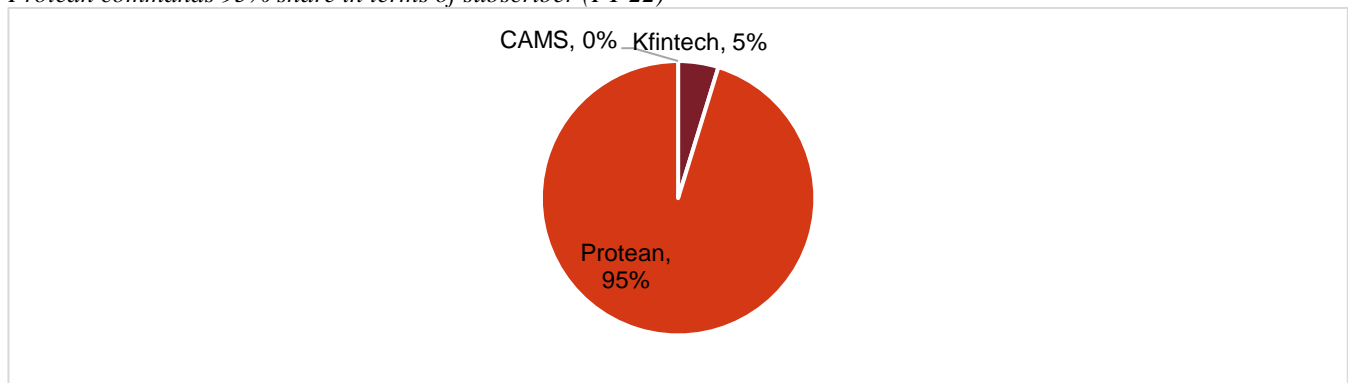
**National Pension System (NPS)**

NPS is a retirement benefit scheme introduced by the Government of India to facilitate income post retirement to all the subscribers and is governed by PFRDA. The regulator has appointed KFinTech, Protean eGov Technologies Limited (erstwhile NSDL e-Governance Infrastructure Limited) and CAMS to maintain data and record of NPS subscribers.

**Competitive Scenario**

The CRA market for NPS has three players which were operational as of March 31, 2022, namely, KFinTech, Protean eGov Technologies Limited (erstwhile NSDL e-Governance Infrastructure Limited) and CAMS. These players have been appointed by the regulator to maintain data and record of NPS subscribers. Amongst these three players, Protean has approximately 95% market share in terms of NPS subscribers at end of March 2022 as Protean (erstwhile NSDL e-Governance Infrastructure Limited) had significant first-mover advantage when it entered the market in calendar year 2008, whereas KFinTech entered this market in calendar year 2018. However, KFinTech’s share has been increasing in terms of new client addition in the industry over the years and has risen from 4% in Fiscal 2019 to 12% in Fiscal 2022. In absolute terms, KFinTech’s market share of pension service by incremental client addition is 29% in Fiscal 2022. As on March 31, 2022, KFinTech has 1,473 corporate clients and overall subscriber base of 747,576. As of September 30, 2022, the number of corporate clients and overall subscriber base of KFinTech stood at 1,756 and 841,938.

*Protean commands 95% share in terms of subscriber (FY 22)*

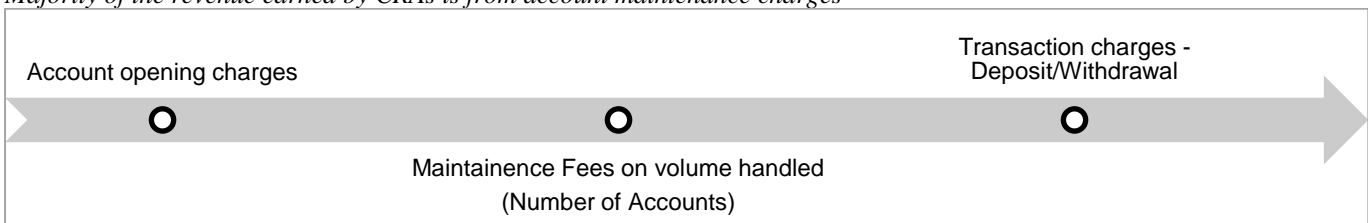


Source: NPS Trust, Company Reports, CRISIL MI&A

**Revenue model**

The revenue model of CRAs typically revolves around the number of accounts opened through them, account maintenance charges and fees on number of transactions by the subscriber. The revenue pool for CRAs currently opening and maintaining NPS account is estimated to be approximately ₹ 1.2 billion at end of Fiscal 2022. Going forward, CRISIL MI&A believes that increase in number of subscribers’ accounts owing to tax benefits offered by NPS and rising middle income and affluent India population is expected to boost the revenues for CRAs to approximately ₹ 1.9 billion by end of Fiscal 2027. CRAs also earn fee income from account opening charges, maintenance fees and transactional charges. Further, fees are relatively higher for private/government as compared to NPS Lite, a type of account / Atal Pension Yojana.

*Majority of the revenue earned by CRAs is from account maintenance charges*



## Fees structure for CRAs

Below is the cost charged to the subscriber by the two CRAs of NPS:

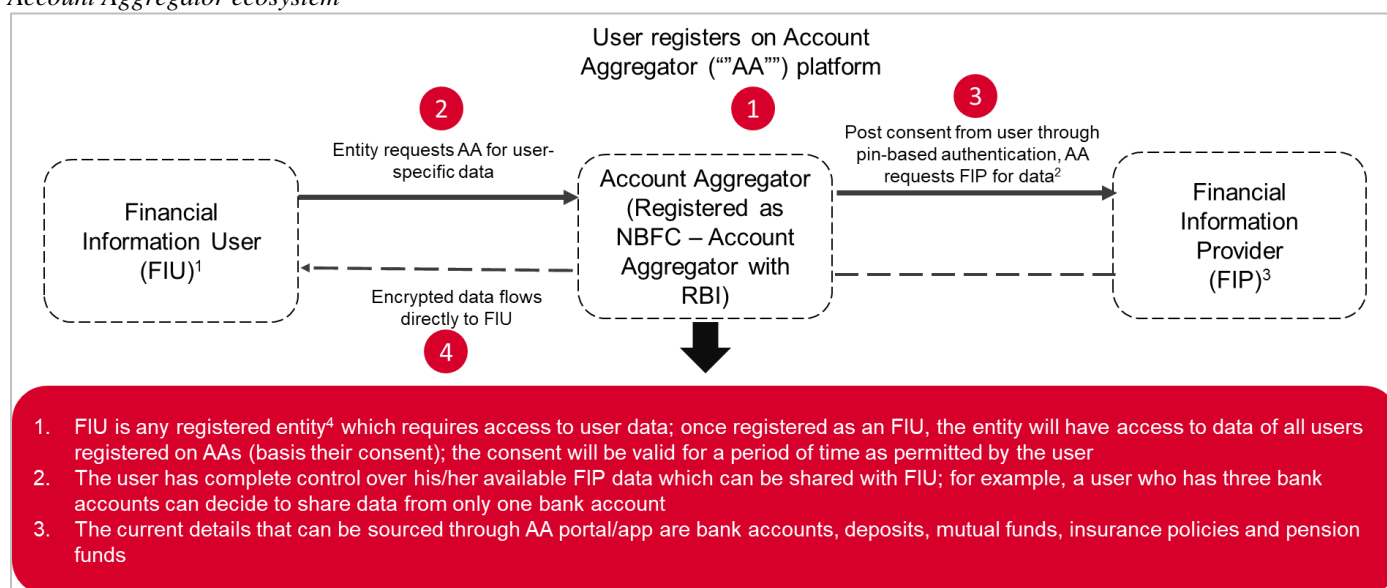
Service	Private/Government	NPS Lite/Atal Pension Yojana
<b>Permanent Retirement Account (PRA) opening charges</b>	<ul style="list-style-type: none"> <li>Protean: ₹ 40.00</li> <li>KFintech: ₹ 39.36</li> </ul>	<ul style="list-style-type: none"> <li>Protean: ₹ 15.00</li> <li>KFintech: ₹ 15.00</li> </ul>
<b>Annual PRA Maintenance cost per account</b>	<ul style="list-style-type: none"> <li>Protean: ₹ 95.00**</li> <li>KFintech: ₹ 57.36</li> </ul>	<ul style="list-style-type: none"> <li>Protean: ₹ 25.00</li> <li>KFintech: ₹ 14.40</li> </ul>
<b>Charge per transaction</b>	<ul style="list-style-type: none"> <li>Protean: ₹ 3.75</li> <li>KFintech: ₹ 3.36</li> </ul>	<ul style="list-style-type: none"> <li>NIL</li> </ul>
<b>Instant Bank A/C Verification*</b>	<ul style="list-style-type: none"> <li>Protean: ₹ 2.40+ tax</li> <li>KFintech: ₹ 1.90+ tax</li> </ul>	<ul style="list-style-type: none"> <li>NIL</li> </ul>

Note: 1) In case of Indian government employees, CRA charges are paid by respective government, 2) \*Charges include Re.1 credited in the savings bank account of the beneficiary, 3) \*\*Charges effective April 1, 2021; Source: NPS Trust, NPS Annual Report 2021, CRISIL MI&A

## Account aggregators

The RBI launched the account aggregator (“AA”) system on September 2, 2021. This has the potential to transform the financial landscape once there is widespread adoption amongst the stakeholders. AAs are essentially non-banking financial companies, licensed by RBI, that act as an intermediary to collect and consolidate data from all financial information providers (“FIPs”), such as banks, 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. These AAs would provide granular insights to lenders into customers’ financial assets and their borrowing history centrally, based on customer consent. Inclusion of additional data such as electricity bill payments and mobile recharges/bill payment data under the purview of AAs could further enhance its utility. Availability of this data is expected to support faster onboarding of customers and could allow wealth advisors to utilize asset side data and advice switching between asset classes to yield better overall returns as per the risk appetite of the individual. Currently, there are five AAs which include OneMoney, FinVu, CAMSFinServ, NESL Asset Data Limited (“NADL”) and Anumati, whereas other five entities, namely, Protean eGov Technologies Limited (erstwhile NSDL e-Governance Infrastructure Limited), Phone Pe, Yodlee Finsoft, CRIF Connect and Tally Account, have received an in-principal license for setting up account aggregators platform. As of February 18, 2022, 109 financial institutions have adopted the AA system and are at various phases of implementation. For the AA platform providers, it is believed that entities having a first mover advantage, strong technological capability and deep engagement with FIUs and FIPs are slated to gain most out of the evolving landscape.

### Account Aggregator ecosystem



Note: 4 Registered with any one of the regulators – SEBI, RBI, IRDAI, PFRDA

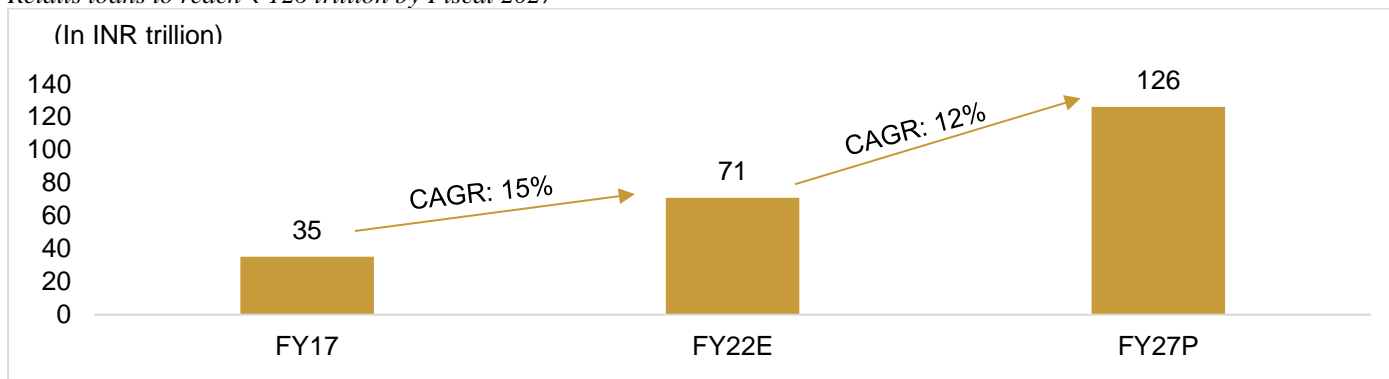
Source: CRISIL MI&A.

## Growth in retail loans to be predominantly driven by volume

Over the last five years, the retail loans market, excluding agriculture credit, is estimated to have witnessed a CAGR of 15% between Fiscals 2017 and 2022 to reach ₹ 71 trillion. CRISIL MI&A has projected the overall retail loans market to grow at a CAGR of 12% between Fiscals 2022 and 2027 to reach ₹ 126 trillion, on account of growing private consumption, increasing nuclearization and

change in consumer attitude towards credit. Further, CRISIL MI&A believes that, with ticket sizes expected to remain relatively stable, growth in retail loans would be predominantly volume driven on account of increasing credit penetration and usage of newer data to progressively reduce the risk involved in lending.

*Retails loans to reach ₹ 126 trillion by Fiscal 2027*



Note: E: Estimated, P: Projected, Data includes housing loan, passenger and commercial vehicle loan, used - passenger and commercial vehicle loan, gold loan, education loan, personal loan, consumer loan, credit card, loan against property (“LAP”) (less than 50 million) and retail MSME loans, Source: CRISIL MI&A

**B. DIRECT EQUITY INVESTMENT/ ISSUER SOLUTIONS**

**Role of investor and issuer solutions providers**

A registrar (investor and issuer solutions provider) is an independent financial institution registered with stock exchanges and appointed by a company mainly to keep record of the issue and ownership of company shares. Responsibility at the time of an initial public offering (“IPO”) involves, processing of IPO applications, allocation of shares to applicants based on SEBI guidelines, processing refunds and transferring allocated shares to the demat accounts of investors. In India, the retail investor and issuer solution provider market is majorly concentrated among players such as KFintech, Link Intime Private Limited and Bigshare Services Private Limited.

Further, these players are responsible for keeping records of all bondholders and shareholders after a company offers securities to the public. These players ensure that the shares outstanding don’t outpace the authorized shares. In addition, when an issuer needs to make an interest payment on a bond or a dividend payment to its shareholders, these services providers determine and ensure that the bondholder/shareholders are made the requisite payout. Apart from these services, over the years, with the help of technology, service providers have increased their offerings to vast range of other value added services such as

- **Managing online application for rights issue** - The rights issue can be applied online through applications supported by blocked amount (“ASBA”) facility using net banking or through registrars web-based application platform (“RWAP”) using unified payments interface (“UPI”) or net banking
- **E-Voting** - electronic infrastructure, an alternative to the paper-based ballot process to facilitate shareholders to cast votes in electronic form. The system would process, record votes automatically and facilitate the declaration of voting results quickly
- **E-vault** - Soft data of physical documents, dividend and related transactions of the issuers as they need to maintain the quarterly data. Service providers maintain, upload and preserve the data in e-vault thus enabling issuers to efficiently manage data
- **Digital signature** - helps in obtaining and identifying sender in online transactions through hassle free digital signature
- **Investor support center** - Facilitate investor awareness about rights of investors, various activities with timelines, do’s and don’ts for investors and grievance redressal mechanism

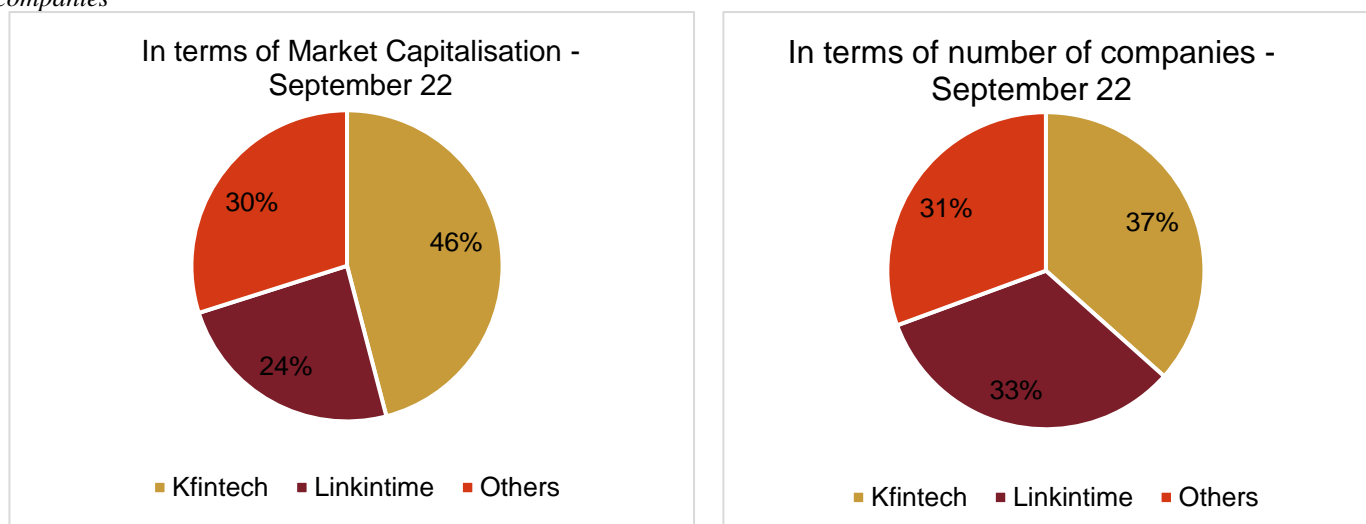
**Competitive Scenario**

As of September 30, 2022, out of the NSE 500 companies, KFintech currently services 183 companies, thereby accounting to 37% market share. In terms of market capitalization, KFintech accounts for 46% market share as of September 30, 2022, followed by Link Intime at 24% market share and remaining 30% is serviced by other players operating in the same segment or done in-house by a few companies themselves.

Accordingly, KFintech is the largest issuer solutions provider in India as of September 30, 2022, based on number of clients serviced, and is one of only two players of scale in India’s issuer solutions space. Player of scale corresponds to entities with minimum 25% market share (in terms of serviced clients) within NSE 500 companies in the Indian issuer solutions space.

As on September 30, 2022, KFintech holds a 46% market share (within NSE 500 companies) based on market capitalization in India’s issuer solutions space where KFintech serves more than 5,051 listed and unlisted corporates with 107.7 million issuer solutions folio out of a total of 172.9 million folios.

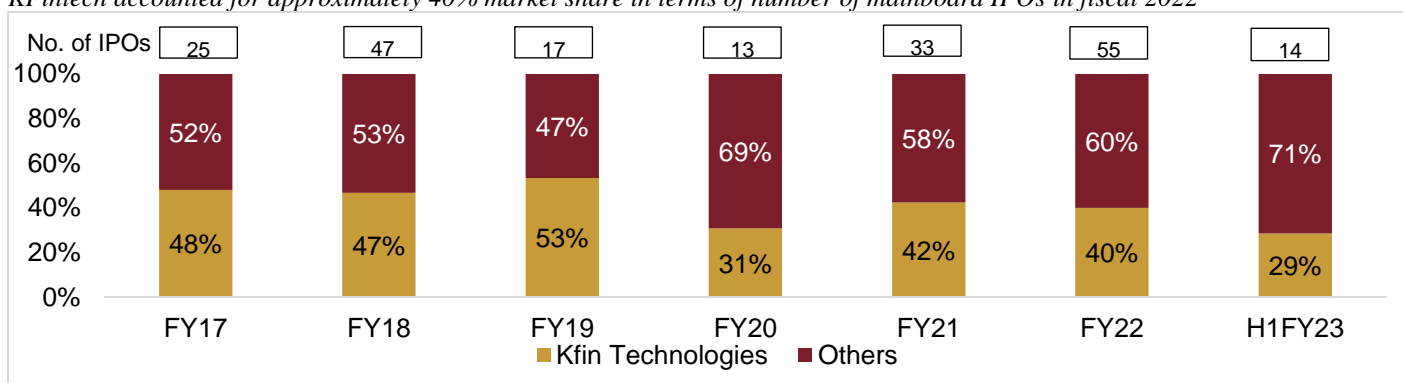
KFintech accounts for 46% and 37% market share in terms of market capitalization and number of companies within NSE 500 companies



Source: NSE, NSDL, CRISIL MI&A

In terms of number of mainboard IPOs, KFintech accounted for 44% market share on average over Fiscals 2017-2021. Further, for Fiscal 2022 and first half of Fiscal 2023, KFintech accounted for a 40% and 29% market share respectively in terms of number of mainboard IPOs.

KFintech accounted for approximately 40% market share in terms of number of mainboard IPOs in fiscal 2022



Note: Data includes data for Mainboard IPOs only and not ReITs and InvITs, Boxes above the chart represents number of IPOs in the respective Fiscals; Source: SEBI, CRISIL MI&A

Market share of KFintech and Rest of Industry in terms of issue size of mainboard IPOs between Fiscal 2020 and H1FY23

Mutual Fund Folio	March 2020	March 2021	September 2021	March 2022	September 2022
IPO Market share by Issue Size for KFintech	18.2%	60.4%	51.1%	39.2%	64.4%
IPO Market share by Issue Size for Rest of Industry	81.8%	39.6%	48.9%	60.8%	35.6%

Note: Data includes data for Mainboard IPOs only; Private placements is not considered; Source: SEBI, CRISIL MI&A

### Revenue model

The revenue model of issuer solutions providers typically revolves around the number of folios managed by the service provider. In addition to folio maintenance, the service providers get a fixed amount for facilitating various corporate actions. Further, these players generate revenues from value added products and services. Going forward, increase in number of folios owing to increased retail participation into direct equity as well as increase in usage of value-added products and services is expected to boost the revenues for the investor and issuer solutions provider.

### Impact of digitization on investors and issuer solution providers

The financial services sector has undergone digital transformation that has had widespread implications on how companies in the sector run their businesses. New technologies have enabled AMCs, insurers and other established financial services companies to overhaul their operations and identify different ways of serving their clients. Furthermore, financial services companies operate in a highly regulated environment, which requires them to manage digital transformation while simultaneously meeting demands of

stakeholders for greater transparency and trust.

This has led to a strong demand for investor and issuer solutions providers, who with their expertise in technology platform, are enabling financial services industry to shift from legacy systems and implement an efficient way of working across business functions. Companies are looking to restructure operating models so that they can focus more their primary business and, with the help of these service providers, become more agile and make efficiency gains to save on costs.

### **Way forward**

**Immense market opportunity:** Investor and issuer solutions providers in India have just tapped the tip of the iceberg. Their existing technological infrastructure for various asset managers across mutual funds, alternatives, wealth management and pension as well as issuers can help them offer curated solutions to clients across different domains. Further, as most of the value-added products and services are customized based on the sector in which the clients operate, providing curated solutions can help them expand the addressable market.

**Hybrid approach:** Digitization is allowing service providers to collaborate and eliminate human intervention, reduce TAT and eliminate possibility of errors with their entire gamut of services online. CRISIL MI&A foresees the market gravitating towards a hybrid approach – a combination of automated process and on-demand support.

### **Data analytics opportunities**

Investor and issuer solutions providers currently offer various services pertaining to day-to-day operations of AMCs, insurance companies and banks enabling these financial institutions to optimize cost and improve efficiency. However, with increasing quantum of data that these service providers operate on, CRISIL believes that this enables new market opportunity for these service providers with the help of data analytics. With the help of data analytics, investor and issuer solutions providers can offer deep insights in key areas like risk management, customer behavior, operational efficiency and regulatory compliance.

#### *Key areas of focus*



Source: CRISIL MI&A

**Risk management:** Financial institutions are exposed to risks such as financial crime, cybersecurity risk, credit risk and market risk. Service providers offer comprehensive risk and compliance protection services and solutions pertaining to people, process and technology, to leading companies. They enable clients to manage diverse risks by adopting proactive measures for risk detection and mitigation.

**Customer analytics:** Customer analytics helps in customer acquisition, servicing, growth, and retention. Investor and issuer solutions providers have a huge amount of investor behavioral data which plays a significant role in terms of providing several insights to financial institutions for better investor offering and servicing. With the help of data analytics service providers, financial

institutions can select the right fit and align the service providers' solutions to their own organizational needs.

**Operational analytics:** Service providers enable financial institutions to reduce the need of manual decision-making and automate information management service offerings. This enables companies to achieve more operational efficiency as well as provide a smooth and convenient experience to investors/ customers.

**Regulatory compliance:** Service providers offer faster and more accurate responses to regulatory requests. These enable financial institutions to more efficiently verify data, maintain data consistency, accelerate compliance, merge statements, generate reports based on set parameters and review documents. This has led to increase in criticality of service providers in the financial ecosystem.

### **Indian players entering global markets**

Over the years, traditional business model of AMCs, banks and other financial institutions has evolved as companies now prefer third party service providers over their captive management of operations in order to achieve efficiency.

Indian players who are currently offering such services in India have built strong domain expertise and technological infrastructure over the years. Therefore, these service providers are now also focusing on global markets and increasing their offerings to global fund services. Investor solutions providers can leverage deep experience in platform-based services and capability of seamless transition of services for various asset classes including EPF, ETF, Private Retirement Schemes (PRS) and cash products in India and offer similar services for global asset managers. For example, Kfintech is present in the global markets like Malaysia, Philippines, and Hong Kong.

## **SECTION 7: FUND ACCOUNTING**

The priority of a fund manager is to generate returns for the investors. However, day to day fund administration, accounting, reconciliation, and compliance can easily become a hindrance to the real work and add to the pressure of a fund manager. Thus, fund accounting services provider addresses this challenge and helps the fund manager to comply with regulatory, financial and tax reporting requirements around accounting and NAV computation requirements. It refers to the maintenance of the financial records of an investment fund which involves recognizing income earned and expenses incurred by the fund. In addition, fund accounting services provider also maintain accounting record for investor activities such as regular and frequent cash inflow and outflow from and to investors, and portfolio activities including net asset valuation on a daily, weekly, or monthly basis.

### **Service Offerings:**

- Recording daily profits and losses
- Timely NAV calculations with accuracy
- Trade, position, and cash reconciliation
- Fund level and beneficiary level accounting
- Compliance services, with monitoring and reporting for regulatory and investment guidelines

### **Revenue model**

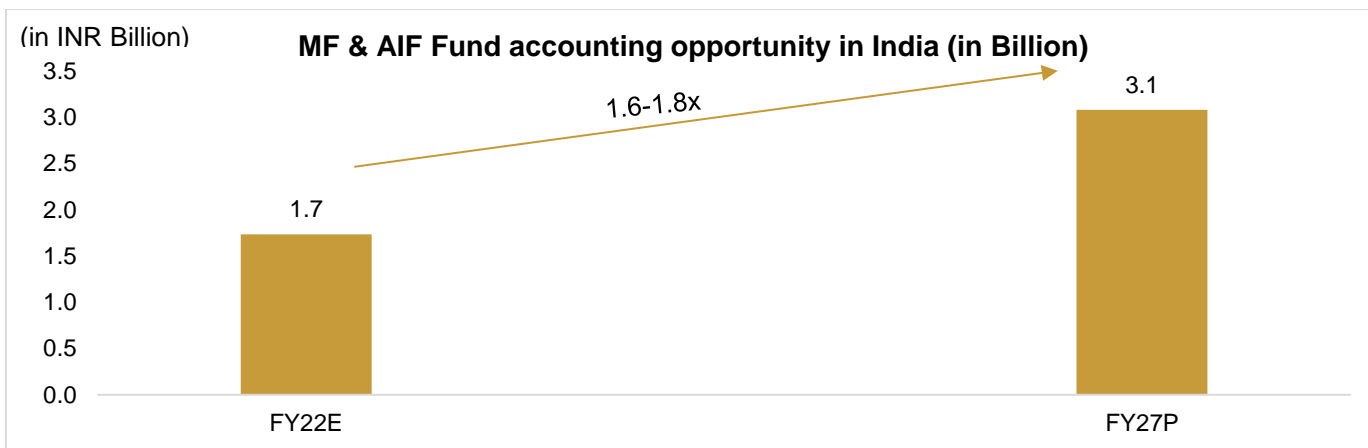
Players operating in the segment operates via different business models:

- Pure license agreement which involves entering into an agreement to fully outsource their operations
- Annual maintenance-based model, where the system lies with the AMC and the software provider is only responsible for maintaining and upgrading the system
- A newer model that is emerging is a software as a service ("SaaS") / platform as a service ("PaaS") based model where the AMC leverages technology of the platform provider, and pays a fixed fee or pay per use (based on AUM size of AMC) based on the terms of agreement

The revenue model of fund accounting service providers typically revolves around the AUMs handled and mix of AUM across categories (equity, debt, liquid, hybrid, and others). Generally, the AMCs spend 0.30 – 0.45 bps as a proportion of average AUM on fund accounting. For AIFs, the fees charged is slightly higher in the range of 1.0 – 1.5 bps.

### **Mutual fund and AIF fund accounting opportunity in India**

The fund accounting business of mutual fund and AIFs in India is estimated to be approximately ₹ 1.5-2.0 billion at end of Fiscal 2022 and is projected to nearly grow at 11-13% CAGR in the next five years to reach approximately ₹ 2.7-3.2 billion in Fiscal 2027. This growth is expected on account of increasing focus of fund managers towards their core business, cost benefits in terms of people and technology and scalability of the business.



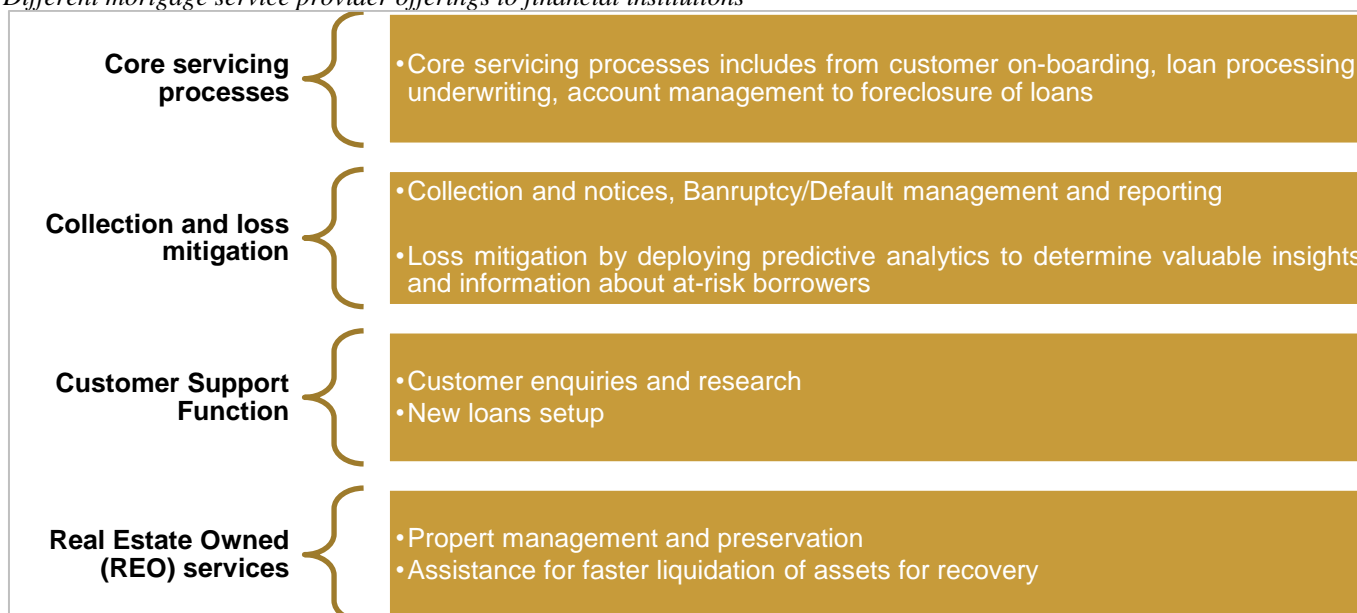
Note: E: Estimated, P: Projected  
 Source: CRISIL MI&A Estimates

## **SECTION 8: GLOBAL MORTGAGE SERVICING**

Mortgage credit is the main component of household credit which includes consumer credit. In many countries, it even exceeds the level of business credit. It represents a large market specifically in developed markets. For instance, Switzerland has the biggest mortgage book relative to its GDP of 145.3% as compared to the next two countries – U.K. (64%) and U.S. (60%). In South East Asia, mortgage to GDP ratio for Indonesia (3%), Thailand (23.9%), Malaysia (35.4%) and Philippines (3.9%) is lower as compared to other developed markets. Further, mortgage to GDP ratio India (9.4%) is also lower than developed markets. According to CRISIL’s assessment of various markets, the global mortgage loans outstanding is estimated to be approximately USD 40 trillion as of December 2020, which provides a huge opportunity for mortgage servicers to capture the market.

Mortgage servicers are entities who sits between the borrower, namely, the homeowner and the lender. The mortgage servicers are responsible for servicing the mortgage loan and includes services from payment processing to escrow administration and default management. These entities collect homeowners’ mortgage payments and pass on those payments to lenders/investors through escrow accounts. If the homeowners fall behind on their payments, the mortgage servicers also ensure that they work with homeowners to get them back on track. If that is not possible, the servicer pursues a loan modification or explores other option to foreclosure. Globally, lenders are working with process outsourcing companies that help mortgage loan providers better control costs, reduce capital expenditures, and improve service levels and operational efficiency in various processes of mortgage finance.

### *Different mortgage service provider offerings to financial institutions*



Source: CRISIL MI&A

Apart from offering operational efficiency and better cost controls to financiers, mortgage service providers also transform overall customer experience. With the help of assessing customer journey, self-service portals to reduce human interactions and using analytics to better manage defaults and collections mortgage servicers reduce the possibility of customer disengagement and enhance overall customer experience. In addition, the Mortgage Business Process Outsourcing (BPO) services has evolved over the years and has helped lenders unlock growth and achieve desired results by moving services to mortgage back office.

## **Revenue model**



The revenue model of mortgage service providers typically revolves around the cost to service a loan account. Loan servicers are compensated by retaining a relatively small percentage of each periodic loan payment, known as the servicing fee or servicing strip. Further, this servicing fee is usually higher for a non-performing loan as compared to a performing loan. When such service providers outsource these activities to 3<sup>rd</sup> party outsourcing partners, they typically pay based on number of trained employees managing these processing activities on outsourced basis.

**SECTION 9: OPPORTUNITIES FOR FINANCIAL THIRD-PARTY SOFTWARE AND PLATFORM PROVIDERS TO GROW**

In recent years, FIs have witnessed challenges with margins shrinking due to competition, customers having heightened expectations from service providers, and uncertainty in the macro-economic environment. This has propelled them to shift from their legacy systems to cater to new client needs, stricter regulations and evolving economic climate. It involves patching platforms, adding custom-built user systems and bringing digital transformation to the organization.

Below are some of the key focus areas for financial institutions:

- Increased operational efficiency through automation of processes that are manual and particularly repetitive
- Faster and cheaper settlement processing using distributed ledger technologies (“DLT”)
- Improving data scope, quality and controls to enable robust risk management, regulatory compliance and advanced performance and risk reporting

CRISIL MI&A believes that unlike earlier, the financial institutions are becoming more comfortable and open towards outsourcing to derive the potential benefits specified below:

- Obtaining necessary expertise at lower cost than what might be possible by hiring internal staff thereby allowing financial entities to focus on their core area of business
- Automate and speed up tasks, reducing the need for manual intervention and assisting in minimizing operational risks arising out of transaction processing, data management and compliance
- Provide flexibility to the business models of regulated entities, by enabling them to rapidly adjust both the scope and scale of their activities to meet client and market needs.

With increasing focus of financial institutions on outsourcing non-core business operations and using pay-per use model, product and service providers over the years have also evolved their offerings in terms of SaaS / PaaS and custom software. SaaS/ PaaS software generally handles standard processes for specific types of institutions as compared to custom software which are specially designed to meet distinct needs of a company. While SaaS/ PaaS software is cost effective given the operational leverage, ease of deployment (via connectivity through application programming interface (“APIs”)) and scalability, custom software offers more control to the company over their process and data. Globally, platform providers such as nCino and Blackline have witnessed huge traction among financial institutions owing to their cloud-based offering that has led to increased efficiency, transparency, profitability and regulatory compliance for the financial institutions. The usage of PaaS /SaaS based players have also led to better data management and reduction in data duplication. This has caused FIs to outsource various functions such as front office and client onboarding (involving account setup and compliance checks), middle-office services (involving cloud services, robotic process automation and data management) and channel management (brokerage computation and pay-outs), Regulatory and compliance services such as process improvement, framework and procedure development, risk monitoring) and reconciliation services to various third-party PaaS and SaaS to make use of the new technologies for staying ahead of the competition and surfing on current market trends. CRISIL MI&A believes, the pace of digital transformation and need for automating the value chain will unlock and provide a huge opportunity for third party software and platform providers to provide their technical expertise and infrastructure to more clients over the next few years.

**SECTION 10: PERFORMANCE OF GLOBAL THIRD-PARTY SOFTWARE AND PLATFORM PROVIDERS TO FINANCIAL INSTITUTIONS**

In this section, CRISIL MI&A has analyzed the operational performance and key financial indicators of global players such as nCino, SimCorp, SS&C Technologies Holdings, which provides third party software and platform services (PaaS/SaaS) to various financial institutions.

**Business Overview of various third party and platform providers to financial institutions**

Company Name	Company Overview
nCino	nCino provides SaaS based solutions for client onboarding, analytics, loan origination and deposit account opening applications that span lines of business and across channels, streamlining employee, client and third-party interactions to drive efficiency, transparency, and compliance across a financial institution.  <b>Target segment:</b> Banks and credit unions
Company Name	Company Overview

<b>Clearwater Analytics</b>	<p>Clearwater Analytics is a software-as-a-service fintech company that provides automated investment accounting, performance, compliance, and risk reporting.</p> <p><b>Target Segments:</b> Insurance companies, asset managers, corporations, banks, governments</p>
<b>Company Name</b>	<b>Company Overview</b>
<b>MeridianLink</b>	<p>MeridianLink provides SaaS cloud-based products and services that span the entire digital lending journey. Its offerings and solutions also revolve around deposit account opening, collections and analytics which together performs and support digital transformation of financial institutions.</p> <p><b>Target Segment:</b> Credit unions, banks and mortgage lenders</p>
<b>Company Name</b>	<b>Company Overview</b>
<b>Blend Labs Inc.</b>	<p>The company provides software platform for banking products and provides digital-first consumer journeys from application to closure for mortgages and lending products. The customer journey includes modular components that includes data collection, verification checks, product selection, pricing, pre-approvals, disclosures, addressing stipulations, and signing closing documents.</p> <p><b>Target segment:</b> Banks, credit unions, fintechs, and non-bank lenders</p>
<b>Company Name</b>	<b>Company Overview</b>
<b>SS&amp;C Technologies Holdings Inc.</b>	<p>The company provides software products and rapidly deployable software-enabled services to various clients to automate and integrate front-office functions such as trading and modeling, middle-office functions such as portfolio management and reporting, and back-office functions such as accounting, transfer agency, compliance, regulatory services, performance measurement, reconciliation, reporting, processing and clearing.</p> <p><b>Target segment:</b> Institutional asset and wealth management, alternative investment management, healthcare, brokerage, retirement, financial advisory firms</p>
<b>Company Name</b>	<b>Company Overview</b>
<b>SimCorp</b>	<p>The company provides fully integrated front to back, multi asset, investment management solutions to Institutional investment management companies to support investment decision making. In addition, it also provides other solutions in the value chain such as data management, trading, risk management, operations accounting, communication and reporting.</p> <p><b>Target Segment:</b> Asset management, wealth management, banks, sovereign wealth funds, pension funds and insurance</p>
<b>Company Name</b>	<b>Company Overview</b>
<b>Duck Creek Technologies Inc.</b>	<p>Duck Creek Technologies is a low code SaaS provider of core systems for the property and casualty insurance industry. The Duck Creek platform is aimed to improve the operational efficiency of the insurers core process such as policy administration, claims management and billing, while reducing their cost of technology ownership.</p> <p><b>Target segment:</b> Insurance</p>
<b>Company Name</b>	<b>Company Overview</b>
<b>Enfusion Inc</b>	<p>Enfusion is SaaS provider, which aims to simplify investment and operational workflow by unifying systems and coalescing data into a single dataset allowing their customers to interact more effectively across the investment management lifecycle.</p> <p><b>Target segment:</b> Investment management, AIFS</p>

Source: Company Reports, Company Website, CRISIL MI&A

#### Financial performance of global third-party software and platform providers

Company Name	Year of Incorporation and Country	Financial (year ending Jan)	Revenue (USD Mn)	Revenue growth (y-o-y)	EBITDA (USD Mn)	PAT (USD Mn)	Gross Margin	EBITDA Margin	PAT Margin	R&D Exp.	S&M Exp.
nCino	2011, USA	2021	204	48%	-43	-41	56.9%	-21%	-20%	29%	29%
		2020	138	51%	-28	-28	53.6%	-20%	-20%	26%	32%
		2019	92	57%	-23	-22	49.3%	-25%	-24%	24%	34%
Company Name	Year of Incorporation and Country	Financial (year ending Dec)	Revenue (USD Mn)	Revenue growth (y-o-y)	EBITDA (USD Mn)	PAT (USD Mn)	Gross Margin	EBITDA Margin	PAT Margin	R&D Exp.	S&M Exp.

Clearwater Analytics	2004, USA	2021	252	24%	28	-8	73.1%	11%	-3%	29%	15%
		2020	203	21%	-20	-44	73.8%	-10%	-22%	27%	11%
		2019	168	NA	26	8	71.9%	15%	5%	23%	11%
Company Name	Year of Incorporation and Country	Financial (year ending Dec)	Revenue (USD Mn)	Revenue growth (y-o-y)	EBITDA (USD Mn)	PAT (USD Mn)	Gross Margin	EBITDA Margin	PAT Margin	R&D Exp.	S&M Exp.
Meridian Link*	2000, USA	2021	268	34%	123	-10	66.5%	46%	-4%	14%	7%
		2020	199	31%	105	9	70.7%	52%	5%	9%	5%
		2019	153	NA	64	-13	69.0%	42%	-8%	10%	6%
Company Name	Year of Incorporation and Country	Financial (year ending Dec)	Revenue (USD Mn)	Revenue growth (y-o-y)	EBITDA (USD Mn)	PAT (USD Mn)	Gross Margin	EBITDA Margin	PAT Margin	R&D Exp.	S&M Exp.
Blend Labs Inc.*	2012, USA	2021	234	144%	-197	-169	49.5%	-84%	-72%	39%	34%
		2020	96	90%	-75	-75	64.3%	-78%	-78%	58%	54%
		2019	51	NA	-81	-81	61.4%	-161%	-161%	96%	74%
Company Name	Year of Incorporation and Country	Financial (year ending Dec)	Revenue (USD Mn)	Revenue growth (y-o-y)	EBITDA (USD Mn)	PAT (USD Mn)	Gross Margin	EBITDA Margin	PAT Margin	R&D Exp.	S&M Exp.
SS&C Technologies Holdings Inc.	1986, USA	2021	5,051	8%	1,242	801	47.7%	25%	16%	8%	8%
		2020	4,668	1%	986	625	44.9%	21%	13%	9%	8%
		2019	4,633	2%	914	439	43.6%	20%	9%	8%	8%
Company Name	Year of Incorporation and Country	Financial (year ending Dec)	Revenue (USD Mn)	Revenue growth (y-o-y)	EBITDA (USD Mn)	PAT (USD Mn)	Gross Margin	EBITDA Margin	PAT Margin	R&D Exp.	S&M Exp.
SimCorp	1971, Denmark	2021	596	8.8%	158	132	60.3%	27%	22%	18%	10%
		2020	547	0.3%	148	106	63.3%	27%	19%	20%	11%
		2019	545	19%	153	116	63.2%	28%	21%	18%	11%
Company Name	Year of Incorporation and Country	Financial (year ending August)	Revenue (USD Mn)	Revenue growth (y-o-y)	EBITDA (USD Mn)	PAT (USD Mn)	Gross Margin	EBITDA Margin	PAT Margin	R&D Exp.	S&M Exp.
Duck Creek Technologies Inc	2000, USA	2021	260	23.0%	-15	-17	57.7%	-6%	-7%	19%	21%
		2020	212	24%	-29	-30	54.1%	-14%	-14%	21%	24%
		2019	171	8%	-14	-17	57.9%	-8%	-10%	21%	23%
Company Name	Year of Incorporation and Country	Financial (year ending Dec)	Revenue (USD Mn)	Revenue growth (y-o-y)	EBITDA (USD Mn)	PAT (USD Mn)	Gross Margin	EBITDA Margin	PAT Margin	R&D Exp.	S&M Exp.
Enfusion Inc	2006, USA	2021	112	40.0%	-28	-16	71.4%	-25%	-14.3%	137%	46%
		2020	80	34.8%	6	4	73.2%	8%	5%	8%	12%
		2019	59	n.a.	14	13	71.3%	24%	21%	7%	13%

Note: Research and Development Expenses (R&D Exp.) is computed as a % of Total Revenue. Sales and Marketing Expense (S&M Exp.) is computed as a % of Total Revenue, NA – Not Available; Source: Company Reports, CRISIL MI&A

#### Operational performance of global third-party software and platform providers (CY 2021)

Company Name	Net Revenue Retention Rate	Customers	Employees
nCino	155%	1,260	1,115
Clearwater Analytics	111%	1,130	1,371
Meridian Link	103%	1,925#	622
Blend Labs Inc.	147%	343	1,689
SS&C Technologies Holdings Inc.	96%	20,000	24,900
SimCorp	N.A.	300+	1,998
Duck Creek Technologies Inc.	120%	150	188

<b>Enfusion Inc.</b>	115%	635*	892
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Note: Net Revenue Retention Rate is the percentage of recurring revenue retained from existing customers over a given period (12 months), # Data for Fiscal 2020, \*Data as of June 2021, NA- Not available; Source: Company Reports, CRISIL MI&A

## **SECTION 11: PEER BENCHMARKING**

### **Indian Peers**

In this section, CRISIL MI&A has analyzed the operational performance and key financial indicators of players providing investor and issuer solutions and wealth management services, on a consolidated basis, like CAMS, KFinTech, Link Intime, Bigshare Services, Miles Software Solutions Private Limited and Applied Software Private Limited.

KFinTech is the only investor and issuer solutions provider to mutual funds, offering services beyond India.

As on September 30, 2022, KFinTech is the only investor and issuer solutions provider in India that offers services to both asset managers such as mutual funds, AIF, wealth managers, pension, and corporate issuers in India besides servicing overseas clients in South East Asia and Hong Kong. KFinTech services more than 172.9 million folios as of September 30, 2022, as compared to 53.9 million as of September 30, 2022, for CAMS.

### **Revenue from operations for players (in millions) (H1FY23)**

Segment	Peers	FY19	FY20	FY21	FY22	H1FY23
<b>Investor solutions</b>	CAMS	6,936	6,996	7,055	9,097	4,584
<b>Diversified</b>	KFinTech	4,413	4,499	4,811	6,395	3,488
<b>Issuer Solutions</b>	Link Intime India Private Limited <sup>\$</sup>	484	970	NA	NA	NA
	Bigshare Services Private Limited*	89	102	102	NA	NA
<b>Wealth Management</b>	Miles Software Solutions Private Limited *	731	897	NA	NA	NA
	Applied Software Private Limited (Wealth Spectrum)	159	196	NA	NA	NA

Note: H1FY23 means half year (i.e. 6 months) ending September 2022, <sup>\$</sup>Financial year is ending June 2019 and June 2020, \* Data is on a Standalone basis; Source: Company Reports, CRISIL MI&A

### **KFinTech has a diverse set of revenue mix as compared to CAMS**

KFinTech is highly diversified with respect to its offerings and revenue mix as compared to CAMS. As of September 30, 2022, mutual fund business account for 90.2% of overall CAMS revenue whereas it is 67.7% for KFinTech. KFinTech's non-domestic mutual fund business includes global fund services (International investor solutions for international markets), CRA for National Pension System, issuer solutions and global business services (outsourced transaction processing).

### **Revenue mix for CAMS and KFinTech (H1FY23)**

	CAMS	KFinTech
<b>Mutual fund Business</b>	90.2%	67.7%
<b>Non-Mutual Fund Business*</b>	9.8%	32.3 %

Note: H1FY23 means half year (i.e. 6 months) ending September 2022, \*Non mutual fund business for CAMS includes insurance repository, payments services, recoverable and other miscellaneous services, non-mutual fund business for KFinTech includes Investor solutions for AIF, Global Fund Services, National Pension System, Issuer services, Offshore transaction processing and other miscellaneous services; Source: Company Reports, CRISIL MI&A

### **Financial performance for peers (H1FY2023)**

#### **Bigshare Services has the highest PAT margin amongst the peer set**

Bigshare Services had the highest PAT margin of 29.9% at end of Fiscal 2021. KFinTech had the lowest PAT margin of 1% and -13.3% owing to goodwill amortization, finance costs and deferred tax expense on the same in Fiscal 2020 and 2021. However, KFinTech's PAT margin, after adjusting for goodwill amortization, is 15.7% and 23.5% at end of Fiscal 2020 and 2021 respectively. In Fiscal 2022, KFinTech's PAT margin was highest in last four years at 23.0%. At end of September 2022, PAT margin for CAMS and KFinTech stood at 28.2% and 24.1% respectively.

Segment	Peers	PAT margin					Average (FY19-22)
		FY19	FY20	FY21	FY22	H1FY23	
<b>Investor</b>	CAMS	19.0%	23.8%	27.9%	31.0%	28.2%	25.4%

<b>solutions</b>							
<b>Diversified</b>	KFintech *	12.6%	1%	-13.3%	23.0%	24.1%	5.8%
<b>Issuer Solutions</b>	Link Intime India Private Limited <sup>§</sup>	13.8%	4.2%	NA	NA	NA	9.0%
	Bigshare Services Private Limited#	20.9%	26.4%	29.9%	NA	NA	25.7%
<b>Wealth Management</b>	Miles Software Solutions Private Limited#	6.9%	37.4%	NA	NA	NA	22.1%
	Applied Software Private Limited (Wealth Spectrum)	40.8%	39.9%	NA	NA	NA	40.3%

Note: H1FY23 means half year (i.e. 6 months) ending September 2022, \* KFintech's reported PAT is ₹853.45 million for H1FY23 and ₹1,485.49 million for FY2022, ₹ (645) million for FY2021 and ₹45 million for FY2020, Reported PAT margin is 23%, -13.3% and 1.0% for Fiscal 2022, Fiscal 2021 and Fiscal 2020 respectively, Proforma financials for FY19 is used for KFintech, # Data is on a Standalone basis, <sup>§</sup>Financial year is ending June 2019 and 2020; Source: Company Reports, CRISIL MI&A

<b>Segment</b>	<b>Peers</b>	<b>Adjusted PAT margin</b>					<b>Average (FY19-22)</b>
		<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>H1FY23</b>	
<b>Investor solutions</b>	CAMS	19.0%	23.8%	27.9%	31.0%	28.2%	25.4%
<b>Diversified</b>	KFintech *	17.0%	15.7%	23.5%	23.0%	24.1%	19.8%
<b>Issuer Solutions</b>	Link Intime India Private Limited <sup>§</sup>	13.8%	4.2%	NA	NA	NA	9.0%
	Bigshare Services Private Limited#	20.9%	26.4%	29.9%	NA	NA	25.7%
<b>Wealth Management</b>	Miles Software Solutions Private Limited#	6.9%	37.4%	NA	NA	NA	22.1%
	Applied Software Private Limited (Wealth Spectrum)	40.8%	39.9%	NA	NA	NA	40.3%

Note: Adjusted PAT is a non-GAAP measure, Note: H1FY23 means half year (i.e. 6 months) ending September 2022, \* KFintech's reported PAT is ₹ 853.45 million for H1FY23, ₹ 1,485.49 million for FY2022, ₹ (645) million for FY2021 and ₹ 45 million for FY2020, Reported PAT margin is 21.5%, 23.0%, -13.3% and 1.0% for Q1FY23, Fiscal 2022, Fiscal 2021 and Fiscal 2020 respectively, In Q1FY23, Adjusted PAT is ₹ 371 million. In Fiscal 2022, Adjusted PAT was ₹ 1,485 million, in Fiscal 2021 - adjustment of ₹ 1,812 million is made (₹ 669 million for Goodwill amortization and ₹ 1,143 million as one-time expense), In Fiscal 2020 -adjustment of ₹671 million is made (Goodwill amortization), Proforma financials for FY19, Profit after Tax is adjusted for goodwill amortization in Fiscal 2019, 2020 and Fiscal 2021, For Fiscal 2021, One-time tax expense as the outcome on the difference between Goodwill as per the books of account and its updated tax base of Nil is adjusted, # Data is on a Standalone basis, <sup>§</sup>Financial year is ending June 2019 and 2020; For other companies, there is no adjustment for goodwill amortization and hence the PAT margin and Adjusted PAT margin is same, Source: Company Reports, CRISIL MI&A

#### CAMS had the highest EBITDA margin in Q1 FY2023 amongst the peer set for whom data is available

CAMS had a higher EBITDA margin of 44.1% than KFintech (which had an EBITDA margin of 39.1%) in H1FY23. In Fiscal 2022, CAMS had an EBITDA margin of 47.6% followed by 45.5% for KFintech. However, in fiscal 2021, KFintech had the best EBITDA margin of 44.7% among peers for whom data is available. It was followed by CAMS (44.3%) and Bigshare Services Private Limited (44.1%).

<b>Segment</b>	<b>Peers</b>	<b>EBITDA margin</b>					<b>Average (FY19-22)</b>
		<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>H1FY20 23</b>	
<b>Investor solutions</b>	CAMS	33.2%	42.7%	44.3%	47.6%	44.1%	42.0%
<b>Diversified</b>	KFintech	34.2%	36.0%	44.7%	45.5%	39.1%	40.1%
<b>Issuer Solutions</b>	Link Intime India Private Limited <sup>§</sup>	28.3%	28.8%	NA	NA	NA	28.6%
	Bigshare Services Private Limited*	32.1%	38.7%	44.1%	NA	NA	38.3%
<b>Wealth Management</b>	Miles Software Solutions Private Limited*	26.0%	58.1%	NA	NA	NA	42.0%
	Applied Software Private Limited (Wealth Spectrum)	52.7%	53.7%	NA	NA	NA	53.2%

Note: EBITDA Margin is a non-GAAP measure, EBITDA Margin is calculated as (Total Revenue - Employee Benefit Expenses -

Operating Expenses – Other Expenses) / Total Revenue, Note: H1FY23 means half year (i.e. 6 months) ending September 2022, \* Data is on a Standalone basis, <sup>\$</sup>Financial year is ending June 2019 and 2020; Source: Company Reports, CRISIL MI&A

### Operational Performance of players (H1 FY2023)

Segment	Peers	Employee Cost as a % of Revenue	Opex (including other expense) as a % of Revenue
Investor solutions	CAMS	32%	24%
Diversified	KFintech	42%	25%
Issuer Solutions	Link Intime India Private Limited <sup>\$</sup>	26%	45%
	Bigshare Services Private Limited *	29%	27%
Wealth Management	Miles Software Solutions Private Limited <sup>#</sup>	30%	12%
	Applied Software Private Limited (Wealth Spectrum) #	41%	5%

Note: H1FY23 means half year (i.e. 6 months) ending September 2022, <sup>\$</sup>Financial year is ending June 2019 and June 2020, \* Data is on a standalone basis for the year ended March 2021; # Data is on a standalone basis for the year ended March 2020; Employee cost and Opex is calculated as a % of Total Revenue, Source: Company Reports, CRISIL MI&A

### Product mix of various investor and issuer solutions providers

The table below details the products and services being offered by various investor and issuer solutions provider in India. Among the peer set considered, KFintech has a wide variety of suite of products covering all segments. CAMS also has a suite of services covering multiple business segments such as mutual funds, AIFs, CRA and insurance repository.

### Product comparison

Products	Mutual Funds	Alternative Investment Funds	Wealth Management	National Pension System	Issuer Solutions
CAMS	✓	✓	✓	✓	✗
KFintech	✓	✓	✓	✓	✓
Link Intime India Private Limited	✗	✗	✗	✗	✓
Bigshare Services Private Limited	✗	✗	✗	✗	✓
Miles Software Solutions Private Limited	✗	✗	✓	✗	✗
Applied Software Private Limited (Wealth Spectrum)	✗	✓	✓	✗	✗

Note: A tick-mark represents availability of a product catering to the respective segment by the company, Source: Company Reports, Company Website, CRISIL MI&A

### Below are some of the technology solutions and platforms provided by CAMS and KFintech:

#### Technology platforms and mobile applications provided by CAMS:

- myCAMS: B2C mobile application to facilitate retail mutual fund transactions
- CAMServ: Self-service chatbot for investors
- CAMSsmart: Business intelligence service for MFs to measure business performance and benchmarking.
- GoCORP: Corporate investment portal
- mf360: Proprietary investor service application for MFs to track transactions, investor enquiries and requests.
- mfCompass: Allows MFs to sight funds real time by linking transfer agent's back offices to MFs
- mfCRM: Mobile application for MF RMs/SMs to facilitate retail mutual fund transactions
- MFDEX: Sales and business intelligence tool for MFs to review own relative performance.
- edge360: Application and portal for MF distributors and advisors to track their brokerages
- digiSIP: Application to set up multiple SIPs at one time
- CAMSPay eMandate: PAN based digital service designed to enhance the Mutual Fund investing experience.
- CAMSfinserv: RBI licensed platform that enables rapid, secure and consent-based sharing of financial asset information.
- CRA eNPS platform: Cloud-based CRA platform to broad-base the services to NPS subscribers and the ecosystem.
- CAMSRep: Launched deep contact tracing to track the untraceable policyholders.
- UPI autopay: UPI autopay for UPI recurring payments and Insta NACH/SIP.
- Dice: AMC interface for brokerage structure updation.

- CAMS Wealthserv: Digital onboarding of PMS investors.
- Recon Dynamix: Automated software for reconciliation of ledger, payments and transaction.
- CAMS LAMF: Digital solution for Loans against Mutual Funds (for CAMS Serviced Mutual Funds).

#### Technology platforms and mobile applications provided by KFintech:

- KFinkart (Distributor App): One-stop app for distributors / financial advisors to deliver client services and allow them to invest, track and manage across a host of mutual funds
- KFinkart (Investor App): Allows investors to track and manage investments
- K-Bolt Go: Front-end application for AMC sales team enabling asset managers for efficient investor management servicing
- Korp Connect: Platform for corporate investors to manage portfolio, track investments and generate reports
- Digix: Platform allowing generation, viewing, downloading and sharing of reports
- Karisma: Virtual registry to facilitate India Inc and investors to access information
- Fintrak: Product developed for managing and to comply with the SEBI-Insider Trading Regulations
- E-Voting: Online e-voting software
- RWAP: Digital platform for the investor to subscribe for rights issue
- KPRISM: Mobile based platform that allows shareholders to view their investments across equity and bonds
- eAGM: Platform for virtual annual general meeting and video conferencing
- eVault: Platform for Corporates to store data
- Kosmic: IPO platform that allows investors to check the IPO allotment status for equity and bonds
- E-NPS: Website for Direct investment in NPS by subscribers
- POP Online: E-NPS product for Corporates to adopt NPS within purview of their employer-employee relationship and provide NPS benefits to its employees
- AIF in a Box: Platform for end-to-end solutions for AIFs, including digital onboarding, KYC matching, NAV calculation, Fund Accounting and Transfer Agency services
- IFA NXT: Browser-based solution for IFA, PMS / PWM clients to service their Wealth Customers
- Pushpak: It is an IPO bidding platform. It is also facilitating to open the Demat account and, subscribe to IPO's and see the holding information of the respective PAN.
- Inpro: It is a Anti Money Laundering (AML) and Prevention of Money Laundering (PML) platform
- Investrack: Compliance product for Mutual Fund AMCs
- AIF Digital Onboarding (to be launched): It is a web- based toll for paperless on boarding of Investors of Alternative investments (AIF)
- Kreason: Analytical tool developed to enhance the convenience of book running lead managers by facilitating quick and any-time access to information pertaining to public issues handled by book running lead managers.

KFintech and CAMS have collaboratively developed MF Central, an investor services hub that allows investors to execute all financial and non-financial mutual fund transactions, track transaction status, portfolio and complaints on real-time basis.

#### Fund performance across categories

The table below shows the top five performing funds across different categories and the corresponding investor solution provider to the mutual funds as on November 2, 2022. Amongst the investor solution providers to mutual fund industry, KFintech has majority of the top 5 performing mutual fund in various categories as their clients, as compared to CAMS having IIFL, SBI and Kotak Mutual Fund as their clients.

Large Cap Schemes	Solution Provider
Canara Robeco Bluechip Equity Fund	KFintech
Axis Bluechip Fund	KFintech
UTI Mastershare	KFintech
Sundaram Large Cap Fund	KFintech
Kotak Bluechip Fund	CAMS
Large and Midcap Schemes	Solution Provider
Mirae Asset Emerging Bluechip	KFintech
Quant Large & Midcap	KFintech
SBI Large & Midcap	CAMS
Edelweiss Large and Mid-Cap Fund	KFintech
Tata Large and Mid-Cap Fund	CAMS

Midcap Schemes	Solution Provider
Quant Mid Cap Fund	KFintech
PGIM India Midcap Opportunities Fund	KFintech
Axis Midcap	KFintech
Motilal Oswal Mid Cap Fund	KFintech
Edelweiss Mid Cap Fund	KFintech
ELSS Schemes	Solution Provider
Quant Tax Plan	KFintech
Canara Robeco Equity Tac Saver	KFintech
Mirae Asset Tax Saver	KFintech
Bank of India Tax Advantage	CAMS
Union Long Term Equity	CAMS

Multicap Schemes	Solution Provider
Quant Active Fund	KFintech
Mahindra Manulife Multi Cap Badhat Yojana	CAMS
Nippon India Multi Cap	KFintech
Baroda BNP Paribas Multi Cap	KFintech
ICICI Prudential Multi Cap	CAMS

Small Cap Schemes	Solution Provider
Quant Small Cap Fund	KFintech
Axis Small Cap Fund	KFintech
Kotak Small Cap Fund	CAMS
Nippon India Small Cap	KFintech
SBI Small Cap Fund	CAMS

Note: The funds are arranged in order of five year returns as on November 2, 2022; Source: AMFI, CRISIL MI&A

## Key regulations in the Mutual Fund Industry

Over the years, the SEBI has introduced and amended several key regulations:

- Mutual funds may invest money collected under any of their schemes only in securities, money market instruments, privately placed debentures and securitized debt instruments that are asset-backed or mortgage-backed, gold or gold-related instruments, real estate assets, infrastructure debt instruments, and assets
- Fees and expenses are capped as follows:
  - Scheme expenses, including investment and advisory fees for index fund schemes and ETFs, should not exceed 1% of daily net assets
  - For other open-ended schemes, apart from fund-of-funds, index fund schemes or ETFs, the expenses are:

AUM slabs	TER limits for equity-oriented schemes	TER limits for other than equity-oriented schemes	RTA fees as a % of AUM*	RTA fees as a % of TER*
On the first ₹ 5,000 million of daily net assets	2.25%	2.00%	0.045-0.05%	2.0-2.5%
On the next ₹ 2,500 million of daily net assets	2.00%	1.75%	0.042-0.047%	2.1-2.6%
On the next ₹ 12,500 million of daily net assets	1.75%	1.50%	0.040-0.045%	2.2-2.7%
On the next ₹ 30,000 million of daily net assets	1.60%	1.35%	0.037-0.042%	2.3-2.8%
On the next ₹ 50,000 million of daily net assets	1.50%	1.25%	0.035-0.040%	2.3-2.8%
On the next ₹ 400,000 million of daily net assets	TER reduction of 0.05% for every increase of ₹ 50,000 million of daily net assets or part thereof		0.0325-0.035%	2.7-3.2%
On balance of assets	1.05%	0.80%	0.030-0.035%	3.0-3.5%

Note: TER: Total expense ratio, \* Calculated as per interactions with Market Participants

Source: SEBI, Market Interactions, CRISIL MI&A estimates

- In 2012, the SEBI introduced new norms that allow cash transactions in mutual funds up to ₹ 20,000 (now ₹ 50,000) per mutual fund per financial year to enable small-scale investors without a Permanent Account Number (PAN) to invest, and allow AMCs to charge an incremental expense of 30 bps, depending on the extent of new fund flows from beyond top 15 or B15 cities (now B30 cities)
- To boost awareness among investors, SEBI has directed AMCs to annually set aside at least 2 bps of daily net assets for investor education and awareness initiatives. It has also allowed celebrity endorsements at the industry level to boost awareness of mutual funds among investors
- In 2017, the SEBI issued guidelines for categorization of open-ended mutual fund schemes in equity, debt and hybrid funds to clearly distinguish between the schemes by asset allocation and investment strategies
  - All schemes should be categorized into equity, debt, hybrid, solution-oriented, and others
  - For equity schemes, the top 100 companies by full market capitalization are termed 'large cap', the next 150 companies by full market capitalization as 'mid-cap', and all others as 'small cap'
  - These guidelines are aimed at reducing the number of identical schemes per category, and making it easier for investors to evaluate different options, as high clarity and comparability should help investors make more informed decisions when investing in mutual funds
- In 2018, the SEBI issued revised terms and definitions, changing key geographical classifications from top 15 (T15 cities) and B15 cities to T30 and B30, respectively, related to charging of additional expenses of up to 0.3% on daily net assets of the scheme
- In case of mutual fund schemes, including closed-end schemes, where exit load is not levied, AMCs will not be eligible to charge expenses to the scheme of up to 0.20% of the daily net assets. This additional expense, earlier allowed, was reviewed in 2018 on the basis of actual exit load credited back to the schemes, and was reduced to 5 bps

With these changes, the SEBI allowed fund houses to charge an additional 30 bps in expense ratios on retail AUM to compensate the fund houses on the additional cost required to attract and service clients in these locations. Within these, costs are much higher for retail investors compared with institutional investors. Thus, even the revised decision to eliminate corporate AUMs in the B30



locations with additional expense ratios, will have minimum impact on the industry's profitability.

The SEBI's decision to change to T30 and B30 locations is primarily to increase mutual fund penetration in these locations in a targeted manner. Within the classification, the additional TER of up to 30 bps is applicable if the net inflow from these B30 locations is at least 30% of gross new inflow in the scheme, or 15% of the average AUM year-to-date of the scheme.

Because of the stricter TER regulations, AMC's fee income, which was growing well in the past, has witnessed some impact. The impact on the regular plans was passed on to the distributors as well.

Also, the main reason was that with a larger increase in AUMs, the expenses associated with a scheme decline. Thus, funds with lower AUMs in their schemes normally have higher expenses, and this tapers off as the size of AUMs increases. As a result, fund houses with larger AUMs in their schemes will be in for a larger contraction compared with AMC's with lower AUMs in certain frontline schemes. Thus, the profitability for AMC's, which is a function of volume and margin, will see AMC's with larger schemes more affected in the short term.

Also, the slabs are graded in a manner that the initial ₹ 5,000 million of AUM has 2.25% as TER, and the next ₹ 2,500 million has 2.00% as TER. This means that for the entire ₹ 7,500 million, a TER of 2.00% is not applied, but an effective TER of 2.17% can be applied. Thus, AMC's effective TER will come down with schemes getting larger, but in principle, for the initial ₹ 5,000 million or ₹ 7,500 million of AUMs of any two schemes, the TER can be similar. So, fund houses such as UTI, which currently have schemes with lower AUM, would be able to charge a relatively higher fee and pass more commission to distributors and agents, allowing them to grow faster in terms of size and revenue. However, for all players, after achieving a certain size and share, fee income will decline due to TER regulations.

Given below is a comparison of how the new expense ratio regulations affect different schemes, based on their cumulative size, and what the effective TERs of such schemes would be:

#### Old effective TER rate

(₹ million)	TER	TER amount	Cumulative AUM	Cumulative TER	Effective TER (%)
1,000	2.50%	25	1,000	25	2.50%
3,000	2.25%	68	4,000	93	2.31%
1,000	2.00%	20	5,000	113	2.25%
2,000	2.00%	40	7,000	153	2.18%
500	1.75%	9	7,500	161	2.15%
12,500	1.75%	219	20,000	380	1.90%
30,000	1.75%	525	50,000	905	1.81%
50,000	1.75%	875	1,00,000	1,780	1.78%
50,000	1.75%	875	1,50,000	2,655	1.77%
50,000	1.75%	875	2,00,000	3,530	1.77%
50,000	1.75%	875	2,50,000	4,405	1.76%
50,000	1.75%	875	3,00,000	5,280	1.76%
50,000	1.75%	875	3,50,000	6,155	1.76%
50,000	1.75%	875	4,00,000	7,030	1.76%
50,000	1.75%	875	4,50,000	7,905	1.76%
50,000	1.75%	875	5,00,000	8,780	1.76%
50,000	1.75%	875	5,50,000	9,655	1.76%

Note: Illustrative for equity funds

Source: SEBI, CRISIL MI&A

#### New effective TER rate

(₹ million)	% TER	TER amount	Cumulative AUM	Cumulative TER	Effective TER	Reduction in %
5,000	2.25%	113	5,000	113	2.25%	0.00%
2,500	2.00%	50	7,500	163	2.17%	-0.02%
12,500	1.75%	219	20,000	381	1.91%	-0.01%
30,000	1.60%	480	50,000	861	1.72%	0.09%
50,000	1.50%	750	1,00,000	1,611	1.61%	0.17%
50,000	1.45%	725	1,50,000	2,336	1.56%	0.21%
50,000	1.40%	700	2,00,000	3,036	1.52%	0.25%
50,000	1.35%	675	2,50,000	3,711	1.48%	0.28%
50,000	1.30%	650	3,00,000	4,361	1.45%	0.31%
50,000	1.25%	625	3,50,000	4,986	1.42%	0.33%
50,000	1.20%	600	4,00,000	5,586	1.40%	0.36%
50,000	1.15%	575	4,50,000	6,161	1.37%	0.39%
50,000	1.10%	550	5,00,000	6,711	1.34%	0.41%
50,000	1.05%	525	5,50,000	7,236	1.32%	0.44%

Note: Illustrative for equity funds; Source: SEBI, CRISIL MI&A

## Regulations for Indian AIF industry

AIFs in India are regulated by SEBI under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. The regulations for AIFs ensure a minimal intervention approach, given the fact that unlike mutual funds, AIFs mostly deal with the non-retail investor segment, primarily comprising sophisticated investors, who are well informed and attuned to adopting higher risk-return strategies. Regulatory amendments are largely focused on ushering in increased transparency in the sector by standardizing contents of offer documents and requiring compulsory performance reporting by AIFs.

### Disclosure Standards for Alternative Investment Funds

#### Disclosure standards cover three broad aspects of AIFs

1. **Benchmarking of AIFs:** To bring transparency in AIF performance reporting, SEBI deemed it appropriate to develop an industry benchmark to compare the performance of AIF industry against the relevant peer set. The Indian Private Equity and Venture Capital Association (IVCA) appointed CRISIL as the benchmarking agency for the purpose of the benchmarking. CRISIL AIF Benchmarks represent the performance of the respective AIF categories at an aggregate level. They are presently available at a category level, i.e., Category I, II and III. Sub-category level and sector-specific benchmarks are expected to be created going forward. As the industry matures, sub-category indices based on investment strategy and mandate are also expected to be developed.
2. **Private Placement Memorandum (PPM) Standardization:** SEBI, in Feb 2020, introduced a standard template for PPMs which is divided into two parts: (i) a minimum disclosure section which is mandatory, and (ii) a supplementary section for providing additional information as deemed necessary by the AIF, thereby providing much-needed flexibility to AIFs to provide the necessary information to investors, while meeting certain mandatory information standards.
3. **PPM Audit:** SEBI has mandated that each AIF carry out a PPM audit at the end of each financial year. Mandating an independent audit of compliance with the terms of PPM has given investors a cushion of comfort, as well as enforcing a deserving layer of transparency and governance on AIF managers.
4. **Permission to invest in commodity derivatives for Category III funds:** SEBI on June 21, 2017, issued a circular titled, 'Participation of Category III Alternative Investment Funds (AIFs) in the commodity derivatives market' allowing category III alternative investment funds (AIFs) to invest in the commodity derivative markets. This has given AIFs to invest in more value accretive avenues and it will also increase liquidity and depth in the commodities market.

### International Financial Services Centres Authority (IFSCA)

In April 2020, the Indian government established the International Financial Services Centres Authority (IFSCA) as Gift City's regulator. As of 18th January 2022, there are 14 AIFs registered with IFSCA since the launch in April 2020.

#### Single Window Clearance

The regulatory powers of 4 regulators (RBI, SEBI, IRDA and PFRDAI) are vested in IFSCA which ensure single window approval thus smooth process for setting up in IFSC.

#### Leverage

SEBI's AIF regulations prohibit category I and Category II AIFs from borrowing or engaging in any leverage. The only exception is to meet short-term funding requirements up to 30 days, on not more than 4 occasions in a year and up to 10% of investible funds. Leverage is permitted in Category II AIFs with the consent of the fund's investors, up to a maximum of two times the fund's Net Asset Value. These restrictions, however, do not apply to IFSC AIFs which are permitted to exercise leverage subject to certain disclosure, consent and risk management requirements.

#### Co-investments

AIFs are regulated in such a way that all investors' funds are pooled in the AIF, and all investors generally participate in deals based on their pro-rata share in the AIF with investors not permitted to independently increase their allocation to a particular deal. However, IFSC AIFs are permitted to co-invest in portfolio companies through the creation of a segregated portfolio subject to certain restrictions and disclosures, thereby simplifying deal structuring and enabling AIFs, investors to allocate additional capital to profitable opportunities.

#### Diversification Norms

Category I and II AIFs are not permitted to invest more than 25% of their investable funds in any one investee company, as per SEBI regulations. This is capped at 10% for Category III AIFs. These restrictions do not apply to IFSC AIFs, subject to appropriate disclosures and consistency with the investors' risk tolerance.

#### Deployment of Funds

IFSC AIFs have 5 investment avenues to deploy funds - securities in which a domestic AIF is permitted, securities listed in IFSC, securities issued by companies incorporated in IFSC/ India/ foreign jurisdiction and units of an AIF. FPI/FDI/VCI limits would apply to investments in India. However, the existing restrictions on AIFs investing outside India do not apply to IFSC AIFs, i.e., no SEBI approval is required for investments outside India.

#### List of formulae

<b>Parameters</b>	<b>Formula</b>
<b>Gross Margin</b>	$(\text{Total Revenue} - \text{Cost of Revenue}) / \text{Total Revenue}$
<b>EBITDA Margin</b>	$(\text{Total Revenue} - \text{Employee Benefit Expenses} - \text{Operating Expenses} - \text{Other Expenses}) / \text{Total Revenue}$
<b>PAT Margin</b>	$\text{Profit after tax} / \text{Total Revenue}$
<b>Adjusted PAT</b>	$(\text{Profit after tax} + \text{Amortization of goodwill} + \text{One-time tax expense due to goodwill amortization}^{\wedge})$
<b>Adjusted PAT Margin</b>	$(\text{Profit after tax} + \text{Amortization of goodwill} + \text{One-time tax expense due to goodwill amortization}^{\wedge}) / \text{Total Revenue}$
<b>R&amp;D Expense</b>	$\text{Research and Development Expense (including Tech expenses)} / \text{Revenue (expressed in terms of \%)}$
<b>S&amp;M Expense</b>	$\text{Sales and Marketing Expense} / \text{Revenue (expressed in terms of \%)}$

*Note: <sup>^</sup> The Finance Act, 2021 has introduced an amendment to Section 32 of the Income Tax Act, 1961, whereby goodwill of a business will not be considered as a depreciable asset and depreciation on goodwill will not be allowed as deductible expenditure effective April 1, 2020*

## OUR BUSINESS

*Unless otherwise stated, references in this section to “we”, “our” or “us” (including in the context of any financial information) are to the Company along with its Subsidiaries, on a consolidated basis. To obtain a complete understanding of our Company and business, prospective investors should read this section in conjunction with “Risk Factors”, “Industry Overview”, “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 30, 151, 302 and 389, respectively, as well as financial and other information contained in this Red Herring Prospectus as a whole. Additionally, please refer to “Definitions and Abbreviations” on page 4 for certain terms used in this section.*

*A scheme of amalgamation was filed before the National Company Law Tribunal (“NCLT”), Hyderabad, between KCL, KCPL and our Company for the demerger of all assets and liabilities pertaining to the registrar and share transfer business of KCL (including but not limited to the equity investment of KCL in KCPL) into our Company on a going concern basis, the amalgamation of KCPL into our Company and the consequent dissolution of KCPL without winding up (“Scheme of Amalgamation”). The NCLT, Hyderabad, sanctioned and confirmed the Scheme of Amalgamation pursuant to an order dated October 23, 2018, which was effective from November 17, 2018. For further details, see “History and Certain Corporate Matters” on page 258.*

*The industry information contained in this section is derived from the industry report titled “Assessment of Investor and Issuer Solutions industry across asset classes in India, South East Asia and Hong Kong” dated November 25, 2022 which is exclusively prepared for the purposes of the Offer and issued by CRISIL and is commissioned and paid for by our Company (“CRISIL Report”). CRISIL was appointed on December 21, 2021. We commissioned and paid for the CRISIL Report for the purposes of confirming our understanding of the industry specifically for the purpose of the Offer, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company’s services, that may be similar to the CRISIL Report.*

*We have included certain non-GAAP financial measures and other performance indicators relating to our financial performance and business in this Red Herring Prospectus, each of which are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. Such measures and indicators are not defined under Ind AS, IFRS or U.S. GAAP, and therefore, should not be viewed as substitutes for performance, liquidity or profitability measures under Ind AS, IFRS or U.S. GAAP. In addition, such measures and indicators, are not standardized terms, hence a direct comparison of these measures and indicators differently from us, limiting their usefulness as a comparative measure. Although such measures and indicators are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company’s operating performance.*

*Some of the information set out in this section, especially information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled “Forward Looking Statements” on page 21 for a discussion of the risks and uncertainties related to those statements and the section titled “Risk Factors” on page 30 for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*Our financial year ends on March 31 of every year, so all references to a particular financial year are to the twelve-month period ended March 31 of that year.*

### Overview

We are a leading 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 provide several investor solutions including transaction origination and processing for mutual funds and private retirement schemes in Malaysia, Philippines and Hong Kong, on account of the following:

- As on September 30, 2022, we are India’s largest investor solutions provider to Indian mutual funds, based on number of AMC clients serviced. (Source: CRISIL Report) We are providing services to 24 out of 41 AMCs in India, as on September 30, 2022, representing 59% of market share based on the number of AMC clients. (Source: CRISIL Report) In addition, we signed on two new AMCs that are yet to launch operations as on September 30, 2022. (Source: CRISIL Report) Further, through our acquisition of Hexagram, we serve six AMCs in India on fund accounting, of which, three are our existing AMC clients in India for investor solutions.

- As on September 30, 2022, we are the only investor and issuer solutions provider in India that offers services to asset managers such as mutual funds, alternative investment funds (“AIFs”), wealth managers and pension as well as corporate issuers in India, besides servicing overseas clients in South East Asia and Hong Kong. (Source: CRISIL Report) For details in relation to the peer set, see “Industry Overview” on page 151.
- We are servicing 301 funds of 192 asset managers in India as on September 30, 2022, representing 30% market share based on number of AIFs being serviced. (Source: CRISIL Report)
- We are one of the three operating central record keeping agencies (“CRAs”) for the National Pension System (“NPS”) in India as on September 30, 2022. (Source: CRISIL Report)
- As on June 30, 2022, out of the 60 AMCs in Malaysia across wholesale funds, unit trust funds and private retirement schemes as specified in the CRISIL Report, we are servicing 18 AMC clients in Malaysia in addition to three clients in Philippines and Hong Kong as on September 30, 2022. In addition, we have signed two new AMCs in Malaysia and one AMC in Singapore that are yet to launch operations as on September 30, 2022.
- We are the largest issuer solutions provider in India based on number of clients serviced, as on September 30, 2022. (Source: CRISIL Report) We are one of only two players of scale in India’s issuer solutions space where we hold a 46% market share based on the market capitalization of NSE 500 companies and a 37% market share based on number of clients serviced within NSE 500 companies, each as on September 30, 2022. (Source: CRISIL Report) Player of scale corresponds to entities with minimum 25% market share (in terms of serviced clients) within NSE 500 companies in the Indian issuer solutions space. (Source: CRISIL Report) We also had a 40% and 29% market share based on number of mainboard initial public offerings handled in Fiscal 2022 and six months ended September 30, 2022, respectively. (Source: CRISIL Report).

We provide several critically important services to the Indian capital markets ecosystem. Our clients utilize our platform for our different service offerings for a substantial part of their operational requirements. We provide a wide array of investor and issuer solutions including omni-channel transaction origination and processing, channel management, which is mapping of mutual fund schemes of AMCs to distributors selected by the AMCs and related distributor management, including brokerage computation and channel servicing which includes brokerage pay-out, query solution and GST compliance assistance, customer onboarding with integrated KYC, unit allocation and redemption, reporting and compliance checks on a real time basis. We also offer asset-servicing products including a distributor platform, an investor platform, and an online transaction platform together with data analytics. Our technology products, solutions and platforms help our clients to focus on their core business functions such as investment management and sales and marketing functions whilst entrusting bulk of operational front office, middle office and back office activities to our platform.

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 fund, direct stock investments, alternate investment funds, wealth and pension across India, Malaysia, Philippines and Hong Kong. We provide our clients with a 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, our platform provides core registry and transfer agency services to our clients (including transaction processing, channel management and compliance) as well as other products and solutions as part of a composite offering to our clients, along with 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, our platform provides core registry and transfer agency services to our clients such as folio management and processing of corporate actions, as well as several digital tools such as a virtual online registry ‘KaRISMA’, an insider trading management platform, ‘Fintraks’, 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 offering bidding platform, ‘Pushpak’, a video conferencing and e-voting platform, ‘eAGM’ and a platform for data security, ‘eVault’. For alternative investment funds, we have developed AIF-In-a-Box, a solution for managers looking to launch an AIF which we expect to launch in 2023. We offer these services primarily as turnkey solutions by combining various digital products along with 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 such as digital customer acquisition tools as well as enhanced data analytics services. 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, we have jointly developed ‘IQBOT’, an advanced intelligent character recognition (“ICR”) program which is used to eliminate the

manual data processing of the physical mutual fund applications at the AMCs' and our branches and, through minimal customization, it can be deployed in industries beyond asset management. Similarly, Digix is a product that eliminates the need for manual intervention in relation to the regulatory, statutory reports and MIS. It also has an intelligent report builder functionality to cater to needs of sales, marketing and operations team to slice and analyze the data instantly. We recently acquired 23 clients and added fund accounting and reconciliation products to our platform through our acquisition of Hexagram in Fiscal 2022. These products are being used by 24 clients across different segments within financial services sector in India and Malaysia, including mutual funds, alternative investment funds and corporate treasuries as on September 30, 2022. We have developed several of these products and services that we have in-house and hence, are proprietary to us, or have acquired them through acquisitions. These products and services are applicable across asset classes, industries and geographies, and find applications across asset classes. For example, our core back-end mutual fund solutions processing engine caters to mutual funds agnostically across regions and clients, including all global clients, for conducting transfer agency business.

As an investor solutions provider, we serve asset managers across a broad spectrum of asset classes spanning mutual funds, alternative investment funds, pension funds, wealth management, portfolio management service providers and corporate treasuries. Further, pursuant to the Scheme of Amalgamation, as on September 30, 2022, we are the only investor and issuer solutions provider in India that offers services to asset managers such as mutual funds, alternative investment funds, wealth managers and pension as well as corporate issuers in India, besides servicing overseas clients in South East Asia and Hong Kong. (Source: CRISIL Report) We are an integral cog in the Indian capital markets ecosystem.

Within investor solutions for Indian mutual funds, we have grown our market share of overall AAUM managed by our clients and serviced by us from 25% for Fiscal 2020 to 32% for September 2022, according to the CRISIL Report. Similarly, our market share of Equity AAUM managed by our clients and serviced by us increased from 29% for Fiscal 2020 to 35% for September 2022, according to the CRISIL Report. We have been the 'partner of choice' for new AMCs in India for the last six Fiscals and six months ended September 30, 2022, as we on-boarded seven (including two AMCs that are yet to launch operations) of the last 11 new AMCs in India (including one AMC that has not yet appointed a registrar and transfer agent for their operations), each of which chose to be our client for domestic mutual funds solutions. (Source: CRISIL Report) We believe that our differentiated technology platform, domain expertise, nimble delivery and dedication to customer success have contributed to our successful track record of winning these clients. At the same time we have not lost any AMC client over the last three Fiscals and six months ended September 30, 2022 to competition except where our client had been acquired by another AMC that was not our client or where our client had ceased operations. We provide an array of products and services to these AMCs including VAS and products such as data analytics, digital acquisition tools and omni-channel customer communication management.

Within investor solutions for non-mutual fund asset classes such as alternative investments funds, we serve 301 funds for 192 asset managers as on September 30, 2022. (Source: CRISIL Report) We provide a variety of services to these asset managers and advisors, including registry and transfer agency services, stamp duty services, fund accounting, customer communication management and compliance and regulatory reporting. Within investor solutions for international markets, we serve 18 clients in Malaysia as on September 30, 2022 in addition to three clients in Philippines and Hong Kong, as on September 30, 2022. We have also signed on two new AMCs in Malaysia and one AMC in Singapore that are yet to launch operations as on September 30, 2022. Additionally, we have one client each in Oman and Maldives as on September 30, 2022. Further, as one of the three operating CRAs for NPS in India, the number of our corporate clients and overall subscriber base stood at 1,756 and 841,938 as of September 30, 2022. (Source: CRISIL Report) For further details, see "Industry Overview" on page 151.

As an issuer solutions provider, we provide a comprehensive set of corporate registry services including investor folio creation and maintenance, transaction processing for various corporate events and issues including initial public offerings, follow on public offerings, dividends, buybacks, rights issue and bonus issues, along with various compliance related reporting requirements and recordkeeping. We also provide various VAS and products to these issuers.

Finally, within our global business 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 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 1.60 million average daily transactions, including 1.00 million systematic transactions like systematic investment plans ("SIPs") per day and USD 3.20 billion (representing ₹ 239.03 billion) average daily settlement for domestic mutual funds in six months ended

September 30, 2022. We operate at such scale while maintaining requisite thresholds around turnaround time and accuracy, in line with our agreements with clients. During Fiscal 2022 and six months ended September 30, 2022, we maintained an accuracy rate of above 99.50% during each period, while ensuring above 99.50% of all transactions are processed while adhering to the timelines as stipulated in our agreements with clients. We outsource our data center to third parties and accordingly, our platform is scalable as we can expand based on our need for additional capacity to handle transactions. 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. For instance, within investor solutions for domestic mutual funds, we have reduced cost of processing a mutual fund transaction from ₹ 9.14 per transaction in Fiscal 2020 to ₹ 7.03 in six months ended September 30, 2022. Our technology driven solution development helps support growth in our clients' businesses as well as ensures client entrenchment without significant investment in our operational team. For instance, the average number of transactions processed per average headcount per month increased from 3,524 in Fiscal 2020 to 6,302 in six months ended September 30, 2022 for domestic mutual fund solutions. We provide clients with an omni-channel experience by combining our platform with a physical pan India network of 182 service centers as on September 30, 2022, that aids in offline transaction origination and channel partner servicing.

We classify our products and services in the following manner:

	Investor solutions				Issuer solutions	Global business services
	Domestic mutual fund	International	Pension services	Alternatives and wealth management		
Front-End	Account Setup, Transaction Origination, Channel Management, Customer communication management	Account Setup, Transaction Origination	Account Setup Transaction Origination	Account Setup	Folio Creation and Maintenance	-
Middle Office	Transaction Processing Unit, Allocation KYC, Redemption Brokerage, Calculations Payment Processing, Fund Accounting Reconciliation	Transaction Processing Unit, Allocation KYC, Redemption Brokerage, Calculations Payment Processing	Transaction Processing Unit, Allocation Redemption Reconciliation	Transaction Processing Fund Accounting 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	Online Tx Platforms Website and Apps Other Platform Solutions	-	Wealth Management platform "IWaap" for wealth managers	Virtual Voting e-AGM, e-Vault, Fintrack, Other Platform Solutions	-

We have a track record of delivering consistent financial results. Our revenue from operations for Fiscal 2022 and six months ended September 30, 2022 was ₹ 6,395.07 million and ₹ 3,487.68 million, respectively. For Fiscal 2022 and six months ended September 30, 2022, profit/(loss) for the year was ₹ 1,485.49 million and ₹ 853.45 million, respectively. Our revenue profile for

the last three Fiscals and six months ended September 30, 2021 and September 30, 2022, is as follows:

(in ₹ million)

Business	As at and for the									
	Fiscal 2020		Fiscal 2021		Fiscal 2022		Six months ended September 30, 2021		Six months ended September 30, 2022	
	(in ₹ million)	(as % of revenue from operations)	(in ₹ million)	(as % of revenue from operations)	(in ₹ million)	(as % of revenue from operations)	(in ₹ million)	(as % of revenue from operations)	(in ₹ million)	(as % of revenue from operations)
<b>Investor solutions</b>										
Domestic mutual fund	2,804.29	62.34	3,174.42	65.98	4,514.07	70.59	2,062.19	70.89	2,362.78	67.75
International and other investor solutions	313.83	6.98	384.24	7.99	483.70	7.56	206.30	7.09	301.79	8.65
<b>Issuer solutions</b>	510.41	11.35	621.85	12.92	742.08	11.60	336.10	11.55	466.48	13.38
<b>Global business services</b>	361.61	8.04	420.18	8.73	422.44	6.61	205.49	7.06	227.27	6.52
<b>Revenue from operations*</b>	<b>4,498.71</b>	<b>100.00</b>	<b>4,811.44</b>	<b>100.00</b>	<b>6,395.07</b>	<b>100.00</b>	<b>2,909.01</b>	<b>100.00</b>	<b>3,487.68</b>	<b>100.00</b>

\*Revenue from operations includes revenue from investor solutions, issuer solutions, global business services and other operating revenue.

Business wise key clientele and duration of relationship/association with clients:

Our business wise key clientele and duration of relationship / association with such clients are as follows:

Business	Key Clientele	Fiscal year of onboarding*
<b>Investor solutions</b>		
Domestic mutual fund	Nippon Life India Asset Management Limited (“ <b>Nippon Life AMC</b> ”),	1997
	LIC Mutual Fund Asset Management Limited	2004
	Mirae Asset Mutual Fund	2007
	UTI Asset Management Company Limited (“ <b>UTI AMC</b> ”)	2008
	Axis Asset Management Company Limited (“ <b>Axis AMC</b> ”)	2009
	Sundaram Asset Management Company Limited	2019
	NJ Asset Management Private Limited	2021
International investor solutions	Bank Muscat SAOG	2008
	BPI Investment Management Inc. (“ <b>BPI Investment Management</b> ”)	2015
	BIMB Investment Management Berhad	2018
	ATM Capital Management Sdn Bhd	2021



<b>Business</b>	<b>Key Clientele</b>	<b>Fiscal year of onboarding*</b>
Pension services	ICICI Prudential Pension Funds Management Company Limited	2020
Alternatives and wealth management solutions	Nippon Life AMC	2014
	SBI Funds Management Pvt. Ltd	2015
	ASK Investment Managers Limited	2018
	Edelweiss Asset Management Limited	2019
	Axis Asset Management Company Limited	2019
	Vivriti Asset Management Private Limited	2021
Issuer solutions	Axis Bank Limited	1999
	Bharti Airtel Limited	2002
	Reliance Industries Limited (“ <b>RIL</b> ”),	2004
	Hindustan Unilever Limited	2004
	Wipro Limited	2004
	Infosys Limited (“ <b>Infosys</b> ”)	2008
	Bajaj Auto Limited	2011
	Kotak Mahindra Bank Limited	2013
	Happiest Minds Technologies Limited	2020
<b>Global business services</b>	Computershare Inc. (“ <b>Computershare</b> ”)	2013

\* This includes the period for which the clients were associated with the business acquired by us pursuant to the Scheme of Amalgamation

Our platform provides our clients end-to-end transaction management including omni-channel transaction origination, channel management including brokerage computation and channel servicing, customer onboarding with integrated KYC and compliance checks on a real time basis among other products and services. The markets we serve, and the requirements of our clients are highly complex, requiring real time information collection, authentication, processing, validation and dissemination. Our platform enables our clients to monitor their data, measure performance, comply with regulatory requirements and communicate to various stakeholders internally and externally. Our clients rely on our platform to service their customers and distributors and the performance of our platform has a direct bearing on the reputation of our clients with respect to their customers and channel partners. Our platform helps our clients reduce cost, time, errors and operational risk and allows them to reallocate resources to other value-creating activities that are core to their business. Our business and operations are subject to regulation by SEBI as we hold an RTA license, and by PFRDA, as we are registered as a licensed CRA, which allow us to provide core registrar and transfer agency services to our clients across investor and issuer services.

## **Our Strengths**

### ***Scaled platform with strong track record of growth and market leadership***

We are a leading technology driven financial services platform providing comprehensive services and solutions to capital markets ecosystem including asset managers and corporate issuers across asset classes in India. In addition, we provide several investor solutions including transaction origination and processing for mutual funds and private retirement schemes in Malaysia, Philippines and Hong Kong We enjoy market leadership positions across a number of different parameters in our business.

We are one of the two leading investor solutions providers in India as on September 30, 2022. (Source: CRISIL Report) We are providing services to 24 out of 41 AMCs in India, as on September 30, 2022, representing 59% of market share based on the number of AMC clients. (Source: CRISIL Report) In addition, we signed on two new AMCs that are yet to launch operations as on September 30, 2022. (Source: CRISIL Report) We have on-boarded seven (including two AMCs that are yet to launch operations) of the last 11 new AMCs in India (including one AMC that has not yet appointed a registrar and transfer agent for their operations) for domestic mutual fund solutions. (Source: CRISIL Report) As on September 30, 2022, we have also on-boarded 15 of the last 21 mutual funds launched in India, according to the CRISIL Report. Further, within investor solutions for Indian mutual funds, we had a market share of 32% based on overall AAUM managed by our clients and serviced by us during September, 2022. (Source: CRISIL Report) Further, we have grown our market share of Equity AAUM managed by our clients and serviced by us from 29% for Fiscal 2020 to 35% for September 2022, according to the CRISIL Report. Our mutual fund SIP inflows have improved considerably post the impact of the COVID-19 pandemic with SIP inflows of ₹ 54,465 million for the month of

September, 2022. According to the CRISIL Report, the SIP AUM increased from ₹ 1.49 trillion in March 2017 to ₹ 6.35 trillion in September 2022 and our monthly SIP inflows increased from ₹ 37.62 billion in March 2021 to ₹ 54.46 billion for September 2022. Accordingly, our market share based in monthly SIP inflows has grown from 41% as on March 2021 to 42% as on September 2022. (Source: CRISIL Report) As on June 30, 2022, out of the 60 AMCs in Malaysia across wholesale funds, unit trust funds and private retirement schemes as specified in the CRISIL Report, we are servicing 18 AMC clients in Malaysia as on September 30, 2022 in addition to three clients in Philippines and Hong Kong, as on September 30, 2022. In addition, we have signed on two new AMC in Malaysia and one AMC in Singapore that are yet to launch operations as on September 30, 2022. Accordingly, we are servicing AMC clients in these geographies with a total AUM of USD 6.14 billion (equivalent to ₹ 502.05 billion) as on September 30, 2022. Additionally, we have one client each in Oman and Maldives as on September 30, 2022.

As on September 30, 2022, we hold a 46% market share based on the market capitalization of NSE 500 companies in India's issuer solutions space (Source: CRISIL Report). As on September 30, 2022, we serve more than 5,051 listed and unlisted corporates with 107.7 million issuer solutions folio out of a total of 172.9 million folios. (Source: CRISIL Report) We also had a 40% and 29% market share based on number of mainboard initial public offerings handled in Fiscal 2022 and six months ended September 30, 2022, respectively. (Source: CRISIL Report)

We are servicing 301 funds of 192 asset managers in India as on September 30, 2022, representing 30% market share based on number of AIFs being serviced. (Source: CRISIL Report) We are one of the three operating CRAs for NPS in India, as on September 30, 2022, where the number of our corporate clients and overall subscriber base stood at 1,756 and 841,938 as of September 30, 2022. (Source: CRISIL Report) For further details, see "Industry Overview" on page 151. Our market share based on new subscriber addition has increased from 4% in Fiscal 2019 to 12% in Fiscal 2022. (Source: CRISIL Report) In absolute terms, our market share of pension service by incremental client addition was 29% in Fiscal 2022. (Source: CRISIL Report)

We believe we achieved this market leadership position across our businesses by leveraging our platform comprising in-house technology and services developed by us in-house, combined with deep domain expertise resulting from our experience of working with multiple regulators, our low-cost operations for international clients where we leverage India's low cost advantage, dedication to client success, and continued enhancement of our platform through in-house product development as well as synergistic acquisitions. We have also benefited from the growth of the mutual fund industry's aggregate QAAUM, which grew at a CAGR of 17.2% between March 2015 and September 2022 to reach ₹ 39.05 trillion. (Source: CRISIL Report) For further details, see "Industry Overview" on page 151.

Due to reasons specified above, revenue from our investor solutions, issuer solutions and global business services grew at a CAGR of 26.60%, 20.58% and 8.08%, respectively, between Fiscals 2020 and 2022. We were able to increase our revenue from operations by 32.91% between Fiscals 2021 and 2022 and by 19.89% between six months ended September 30, 2021 and six months ended September 30, 2022. Specifically, over Fiscal 2020 and Fiscal 2022, based on the information in the CRISIL Report, our nearest competitor registered growth in revenues of 14.03% (on CAGR basis), while we registered a growth of 25.06% (on CAGR basis) during the same time period considering revenues from comparable businesses (i.e., excluding global business services and IBC related revenues where we do not compete with our nearest competitor). We have delivered such higher growth of 11.03% (on a CAGR basis) due to a) higher growth in AUM for our AMC clients resulting in higher AUM based revenue growth for us, contributing an additional 4.26% growth; b) AUM based revenues from new client wins in domestic mutual fund business (including two AMCs acquired as clients through a business transfer agreement with Sundaram BNP Paribas Fund Services) contributing additional 2.63% growth; c) revenues generated from cross-selling and up-selling of VAS and technology products to our clients in domestic mutual fund solutions and issuer solutions, contributing an additional 1.88% growth; d) higher revenue growth in younger businesses (investor solutions for alternatives and wealth management, international investor solutions and pension services), contributing an additional 1.19% growth over the same time period; and e) growth in our issuer solutions business contributing 1.06% growth over the same period.

The table below shows revenue and yearly growth in revenue across our businesses:

Category	Revenue					Year on year growth in revenue		
	Fiscal 2020	Fiscal 2021	Fiscal 2022	Six months ended September 30, 2021	Six months ended September 30, 2022	2021 (compared to Fiscal 2020)	2022 (compared to Fiscal 2021)	Six months ended September 30, 2022 (compared to six months ended September 30, 2021)
	₹ million	₹ million	₹ million	₹ million	₹ million	%	%	%
<b>Investor solutions</b>								
Domestic mutual fund	2,804.29	3,174.42	4,514.07	2,062.19	2,362.78	13.20%	42.20%	14.58%
International and other investor solutions	313.83	384.24	483.70	206.30	301.79	22.43%	25.89%	46.29%
<b>Issuer solutions</b>	510.41	621.85	742.08	336.10	466.48	21.83%	19.34%	38.79%
<b>Global business services</b>	361.61	420.18	422.44	205.49	227.27	16.20%	0.54%	10.60%
<b>Revenue from operations*</b>	<b>4,498.71</b>	<b>4,811.44</b>	<b>6,395.07</b>	<b>2,909.01</b>	<b>3,487.68</b>	<b>6.95%</b>	<b>32.91%</b>	<b>19.89%</b>

\*Revenue from operations includes revenue from investor solutions, issuer solutions, global business services and other operating revenue.

Within domestic mutual fund solutions, the total AUM of mutual funds clients serviced by us witnessed a CAGR of 19.7% between March 2019 and September 2022. (Source: CRISIL Report) This has led to an increase in our market share from 28% in March 2019 to 31% in September 2022. (Source: CRISIL Report) We believe that our business model, which focuses on mid-size, equity-oriented mutual funds, provides us with a significant sustainable advantage, because according to the CRISIL Report, in terms of overall Equity AUM, AMCs other than the top five AMCs have grown at a CAGR of 28.6% between March 2016 and September 2022, as compared to top five AMCs (based on overall AUM), which witnessed a faster CAGR of 31.1% over the same period. The majority of the top five mutual funds in various mutual fund categories are our clients, according to the CRISIL Report.

Across our businesses, we have had growth due to addition of new clients within established businesses like domestic mutual fund solutions and issuer solutions as well as newer businesses like alternatives and wealth management solutions and pension services. Specifically, in domestic mutual funds, as on September 30, 2022, we have added eight AMCs as clients since Fiscal 2020 (including two AMCs yet to start operations and two AMCs acquired as clients through a business transfer agreement with Sundaram BNP Paribas Fund Services). We have added the following new clients across our businesses in the last three Fiscals and six months ended September 30, 2022:

Business	New Client Additions				
	Fiscal 2020	Fiscal 2021	Fiscal 2022	Six months ended September 30, 2021	Six months ended September 30, 2022
<b>Investor solutions</b>					
Domestic mutual fund solutions	4	2	2	-	-
International investor solutions	3	1	6	1	1
Pension services	151,825	151,089	386,424	62,134	94,362
Alternatives and wealth management solutions	40	152	28	-	33
Issuer solutions	863	365	357	326	281
Global business services	-	-	-	-	-

Revenue contribution from our platform products and VAS increased from 3.95% in Fiscal 2020 to 6.04% in Fiscal 2022 and

5.32% in six months ended September 30, 2022, primarily due to our track record of up-selling and cross-selling VAS and products to our existing client base primarily in domestic mutual fund and issuer solutions. This track record of up-selling and cross-selling enables us to drive net revenue retention, client entrenchment and profitability.

Revenue contribution from our newer businesses such as alternatives and wealth management solutions, pension services, fund accounting and reconciliation services under our international and other investor solutions and international investor solutions increased from 6.98% in Fiscal 2020 to 8.65% in six months ended September 30, 2022. In addition to our growth from our organic efforts, we have a proven track record of undertaking strategic acquisitions and effectively integrating and growing acquired businesses. For instance, pursuant to the Scheme of Amalgamation, we took over the international investor solutions business that was started in South East Asia by the erstwhile entities, consisting of eight clients in Malaysia and Philippines. We took over the growing business and we have expanded significantly since then and have grown it to 21 AMC clients across Malaysia, Philippines and Hong Kong as on September 30, 2022 by entering into direct agreements with clients. In addition, we have signed on three AMCs in Malaysia and Singapore that are yet to launch operations as on September 30, 2022. We are now present in Hong Kong, Philippines and Malaysia, with plans to enter Singapore, Indonesia and Thailand. Further, we acquired the registrar and transfer agency business from Sundaram BNP Paribas Fund Services in Fiscal 2020, which enabled us to add several marquee clients across mutual fund and alternatives businesses including Sundaram AMC and BNP Paribas AMC. For further details in relation to our acquisition of the business from Sundaram BNP Paribas Fund Services, see *“History and Certain Corporate Matters – Other Agreements – Business Transfer Agreement dated August 7, 2019 between Sundaram BNP Paribas Fund Services Limited and our Company”* on page 267. We transformed the business into a profitable one by undertaking several integration and cost rationalization initiatives such as consolidating our business continuity planning and disaster recovery center, leveraging our central processing zone operations for physical transactions, reducing our dependence on usage of third-party applications and by leveraging our existing infrastructure and resources. It provided us an opportunity to increase our market share. Finally, pursuant to our recent acquisition of Hexagram in Fiscal 2022, we acquired 23 clients and fund accounting and reconciliation products. We intend to develop an end-to-end fund accounting and reconciliation solution for our clients by utilizing Hexagram’s products such as ‘mPower’ and ‘iMatch’ and leveraging our existing platform and solutions expertise. This acquisition will also enable us to deepen our presence in India and South East Asia. For further details, see *“History and Certain Corporate Matters – Share purchase agreement dated December 31, 2021 between our Company, M.S. Chandrasekher, Ravi Seshadri, A.K. Sridhar, Padma Sridhar, Ravindranath Ramakrishna, Susheela R.K. Ravindranath Ramakrishna HUF, Arun Menon, Kreehana Menon, Malavika Menon and Hexagram Fintech Private Limited”* and *“-Our Strategies - Pursue strategic acquisitions”* on pages 263 and 236, respectively. Our approach to strategic opportunities is to evaluate acquisition targets with a highly value-accretive “platform” effect, as is exemplified by the acquisition of Hexagram. This allows substantial up-sell opportunities from replicating and scaling newly acquired expertise across our platform and cross-sell opportunities to existing clients as well offering our platform to newly acquired clients. We also prioritize client and talent retention in our acquisitions.

We build our in-house platforms for scale, to enable us to absorb growth in the number of investors, assets and transaction volumes. From handling 185.60 million transactions in Fiscal 2020, we handled 331.73 million transactions in Fiscal 2022 and 193.99 million in six months ended September 30, 2022. The ongoing investment in our in-house platforms aims to further strengthening this competitive advantage by increasing operating leverage, driving ongoing innovation, anticipating industry developments and delivering increased efficiencies while providing our clients and other stakeholders with our integrated platform of services.

***Our diverse multi-asset servicing platform is well-positioned to benefit from strong growth across large markets in India and South East Asia***

According to the CRISIL Report, the net household financial savings in India have grown at a CAGR of 15.7 % over Fiscal 2014 to Fiscal 2021, and during the same period, financial savings grew from 36% to 52%. According to the CRISIL Report, the share of financial assets as a proportion of net household savings is expected to increase over the next five years due to an increase in financial literacy, the relative outperformance of financial assets over recent years, and the Indian government’s efforts to fight the shadow economy. The rise in financial assets is expected to further boost the financial investments under mutual funds, equity, pension schemes, insurance and alternate assets. (Source: CRISIL Report)

Further, according to the CRISIL Report, the average AUM of the Indian mutual fund industry grew at a CAGR of 15% between March 2017 and September 2022. Between Fiscals 2022 and 2027, the Indian mutual fund industry’s AUM is projected to sustain a high growth trajectory of approximately 14% CAGR. (Source: CRISIL Report) CRISIL expects the AIF industry to grow at a CAGR of 27-29% between Fiscals 2022 and 2027 and that such growth is expected to help expand the allied investor services industry by serving the rising demand. In addition, the wealth management market is projected to grow at a CAGR of 12-14% over March 2022 to March 2027 and cross ₹ 47 trillion by Fiscal 2027. (Source: CRISIL Report) According to the CRISIL Report,

the AUM for NPS is expected to grow at a CAGR of 18-19% between Fiscal 2022 and Fiscal 2027, owing to a rise in subscriber base due to the tax benefits provided by NPS. In addition, according to the CRISIL Report, in terms of market capitalization, the value of the individual investors' direct equity ownership in NSE companies has grown at a CAGR of approximately 21% between March 2017 and March 2022, with approximately 16% owing to rise in index and the remaining due to increased retail participation. Between March 2022 and March 2027, CRISIL has projected that the value of individual investors' direct equity ownership in all NSE companies is expected to grow at a CAGR of approximately 18% due to a rise in index, listing of new companies and increased participation of retail investors in equity markets. (Source: CRISIL Report) Our multi-asset servicing platform allows us to serve asset managers and issuers across each of these businesses. Accordingly, we believe that we are positioned to benefit from macro tailwinds around growth in net household financial savings and subsequent growth across each of these asset classes.

We operate in multiple large markets in India, Hong Kong, Malaysia and Philippines, along with presence in Oman and Maldives, across several of these asset classes. This has allowed us to grow as a regional business and not just as an India focused business. According to the CRISIL Report, India's GDP is forecasted to grow at a faster pace than other economies, with real GDP expected to grow at 6.5-7.0% per annum between Fiscals 2023 and 2025 and is poised to benefit from focus on investments, product linked incentive scheme, which aims to incentivize local manufacturing by giving volume-linked incentives to manufacturers in specified section, and policies aimed towards greater formalization of the Indian economy, which are expected to accelerate the per capita income growth. Our market leadership in India and our client relationships provide us with the platform to benefit from this anticipated growth in the Indian economy.

Similarly, according to the CRISIL Report, the GDP of Singapore, Malaysia, Thailand, Indonesia and Philippines is expected to grow at 2.5%, 4.6%, 3.5%, 5.2% and 5.7%, respectively, between calendar years 2022 and 2025. Hong Kong's GDP growth is expected to moderate below 3.3% between calendar years 2022 and 2025 (Source: CRISIL Report).

According to the CRISIL Report, in the Singapore mutual fund market, the total AUM (excluding AIFs) grew by 13% in calendar year 2021 to reach USD 3.1 trillion. Further, in calendar year 2020, the overall AUM for asset management industry in Hong Kong grew by 15% owing to an increase of 4% in the number of licensed corporations to carry out asset management activities, which reached 1,878 at end of December 2020. (Source: CRISIL Report) According to the CRISIL Report, the asset management industry in Malaysia witnessed a CAGR of 6.0% between calendar years 2016 and 2020. The mutual fund industry in Thailand witnessed steady growth and has grown at a CAGR of 7% between calendar years 2016 and 2021 to reach USD 195 billion. (Source: CRISIL Report). The mutual fund industry in Indonesia grew at a CAGR of 11% between calendar years 2016 and 2021 to reach USD 40.6 billion and the mutual funds industry in Philippines grew at a CAGR of 12% between fiscal 2016 and 2021 to reach USD 8.7 billion. (Source: CRISIL Report) Thus, countries in South East Asia and Hong Kong represent a large mutual fund AUM and such growth in mutual fund AUM across these countries and India is expected to enable us to continue to grow our domestic mutual fund solutions business and our international investor solutions in South East Asia. We believe that the combination of macro factors in the markets in which we operate such as relevant government push, increased investor pool and client engagement, broadening distribution channel, digital disruption, sustainable finance and shift in attitude of investors (Source: CRISIL Report) provides us with a significant growth opportunity across these markets. In addition, growth in AUM and economic growth rates that influence our clients across various markets provide us with additional opportunity to grow our business from existing and new clients.

The following table sets forth the GDP and mutual fund AUM of South East Asian countries and Hong Kong:

Country	GDP (2021) (in USD billion)	Mutual Fund AUM (CY 2021) (in USD billion)
<b>Singapore</b>	373	612*
<b>Hong Kong</b>	368	192
<b>Malaysia</b>	346	228
<b>Thailand</b>	312	195
<b>Indonesia</b>	778	41
<b>Philippines</b>	370	8.7
<b>Total</b>	<b>2,547</b>	<b>1,277</b>

\* Data for 2020

Source: CRISIL Report

Further, according to the CRISIL Report, at the end of calendar year 2021, total AIF assets under management in Singapore grew

at 30% to reach USD 921 billion, up from USD 710 billion in calendar year 2020. AIF AUM in Singapore has witnessed growth at a CAGR of 20.8% between calendar years 2016 to 2021 (*Source: CRISIL Report*). Given our alternatives and wealth management services business, we expect to benefit from this trend towards alternatives.

### Unique “platform-as-a-service” business model providing comprehensive end-to-end solutions enabled by technology solutions developed in-house

Our “platform-as-a-service” business model provides our 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 which houses over 350 servers and data storage handling capacity of over 250 TB. We provide the flexibility of addressing all major asset classes for asset managers and corporate clients through our platform. We have implemented a platform based cross sell approach on a deep product stack. Our core service offerings provide end-to-end support across 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 client requirements, treating them as a partner, 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 AMC’s websites, mobile apps, distributor platforms, platforms for AMC employees for assisted sales, platforms for institutional investments, business insights reports to CXO’s of AMC’s, electronic AGM, electronic voting, and compliance platform, have helped us to increase wallet share with our existing clients. We have launched over 20 new products over the last three Fiscals and six months ended September 30, 2022, with two products in the pipeline. This client centric approach and 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.

For example, we delivered a comprehensive go-to-market solution for a new AMC player on first day of its launch in India. Our end-to-end solution suite of transactional website and applications for investors, distribution support applications and new fund offer specific support systems helped our client achieve a new fund offer of ₹ 52,164.30 million. We have created a varied set of solutions for the wealth management business like a digital onboarding solution, wealth aggregation platforms that accommodates customer relationship management tools, financial planning, multiple asset class transactions, order management, and various client reporting activities along with this.

Our revenues from such VAS increased from ₹ 177.48 million in Fiscal 2020 to ₹ 386.15 million in Fiscal 2022, which represents a growth of 117.57% over the last three Fiscals. For Fiscal 2022 and six months ended September 30, 2022, revenue from VAS contributed 6.04% and 5.32% of our revenue from operations, respectively. Our revenue split between core products and VAS is as follows:

Business	Revenue contribution									
	Fiscal 2020		Fiscal 2021		Fiscal 2022		Six months ended September 30, 2021		Six months ended September 30, 2022	
	(in ₹ million)	(as % of revenue from operations)	(in ₹ million)	(as % of revenue from operations)	(in ₹ million)	(as % of revenue from operations)	(in ₹ million)	(as % of revenue from operations)	(in ₹ million)	(as % of revenue from operations)
Core services (Fees and other operating revenue)	4,321.23	96.05	4,535.79	94.27	6,008.92	93.96	2,763.99	95.01	3,301.99	94.68
VAS	177.48	3.95	275.65	5.73	386.15	6.04	145.02	4.99	185.68	5.32

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 proceeding and reduce cost by eliminating the manpower needs in conducting day to day business. We have latest modern technology stack and cloud ready products and platforms and have continuously adopted newer technologies to drive automation across our platform. This has resulted in a reduction of operating costs by 16.16% on annual basis in the last three Fiscals. Our in-house technology platforms have resulted in our evolution from a services led business model in to a financial technology platform. Our technology led services are a key differentiator from our competitors. Our technology related spend, which includes capital expenditure incurred towards

computers and accessories, software and license fees, software expenses and employee costs, for Fiscal 2022 and six months ended September 30, 2022 was ₹ 1,310.80 million and ₹ 796.98 million, respectively.

Our clients are regulated financial institutions and the services we provide to them must be accurate, timely, continuous, secure, compliant and technologically advanced for their smooth functioning in accordance with the respective regulations governing these financial institutions. We continue to automate processes and enhance our systems and risk management to ensure that all our obligations and regulatory requirements are completed on a timely basis and our systems and infra-availability stands at 99.99% accuracy. Our 10 gigabyte enhanced intranet ensures data transactions to be processed with no latency.

We have implemented a cyber-security and cyber resilience policy which adheres to NIST (National Institute of Standards & Technology) framework and is compliant with SEBI regulations that addresses the subject of cyber security and resilience framework for intermediaries. The effectiveness of the controls mandated by SEBI are audited on an annual basis by an external auditing firm.

### Deeply entrenched, long-standing client relationships with a diversified and expanding 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 comprehensive nature of our platform and the reliance of our clients to source end-to-end services from us, we are integral to the business and operations of our clients which results in long-term engagement with limited client churn. We provide complex solutions and services with significant expertise that has been honed over the years of presence in the industry and experience of working with clients, several of which are some of the largest companies operating in their respective segments. In India, the investor solutions business that we operate in typically has two to three players, as it requires high technology intensity and a track record of delivery at scale, and are subject to stringent compliance and regulations, resulting in high barriers to entry for any new entrant. (Source: CRISIL Report). As a result, we have been able to retain a large proportion of all our clients across our businesses including the business acquired pursuant to the Scheme of Amalgamation, we have never lost an AMC or MF client over the last three Fiscals and six months ended September 30, 2022 to competition except where our client had been acquired by another AMC that was not our client or where our client had ceased operations. Similarly, for our issuer solutions business, client loss is minimal and primarily restricted to merger and acquisitions and other corporate changes. We have 95.31% and 98.62% logo retention in our issuer solutions business over Fiscal 2022 and six months ended September 30, 2022, respectively. We have 100% and 100% logo retention in our domestic mutual funds solutions business over Fiscal 2022 and six months ended September 30, 2022, respectively. Including the business acquired pursuant to the Scheme of Amalgamation, our average client relationship within domestic mutual fund solutions and issuer solutions is for a period of more than 10 years. We typically enter into long term arrangements with our clients. We believe, our market leadership position and long-term integrated client relationships across our platform puts us in a favorable position to increase our share of business from these businesses from existing clients.

We intend to further deepen our client relationship by offering multiple platform solutions such as digital platforms for intermediaries, synchronized transfer agency and fund accounting platform, scalable and secure technology and infrastructure with cyber-security-as-a-service, data analytics-as-a-service (“DAAS”) and a customer data platform.

Our top clients<sup>1</sup> across our various businesses are as follows:

Business	Top five clients	Revenue contributed by top five clients as a % of revenue from operations as of September 30, 2022	Duration of relationship / association (in years)
<b>Investor solutions</b>			
Domestic mutual fund solutions	<ul style="list-style-type: none"> <li>• Nippon Life AMC</li> <li>• UTI AMC</li> <li>• Axis AMC</li> <li>• Mirae Asset Mutual Fund</li> <li>• Customer A</li> </ul>	49.3%	<ul style="list-style-type: none"> <li>• 24</li> <li>• 13</li> <li>• 12</li> <li>• 14</li> <li>• 11</li> </ul>
International investor solutions	<ul style="list-style-type: none"> <li>• BPI Investment Management</li> <li>• Customer A</li> <li>• Customer B</li> <li>• Customer C</li> <li>• Customer D</li> </ul>	2.5%	<ul style="list-style-type: none"> <li>• Six</li> <li>• Six</li> <li>• Three</li> <li>• Two</li> <li>• 12</li> </ul>
<b>Issuer solutions</b>	<ul style="list-style-type: none"> <li>• RIL</li> </ul>	2.4%	<ul style="list-style-type: none"> <li>• 17</li> </ul>

Business	Top five clients	Revenue contributed by top five clients as a % of revenue from operations as of September 30, 2022	Duration of relationship / association (in years)
	<ul style="list-style-type: none"> <li>Infosys</li> <li>Hindustan Unilever Limited</li> <li>Customer E</li> <li>Customer F</li> </ul>		<ul style="list-style-type: none"> <li>13</li> <li>17</li> <li>12</li> <li>11</li> </ul>
<b>Global business services</b>	<ul style="list-style-type: none"> <li>Computershare</li> </ul>	6.4%	<ul style="list-style-type: none"> <li>Eight</li> </ul>

<sup>1</sup> This includes the period for which the clients were associated with the business acquired by us pursuant to the Scheme of Amalgamation

Sale of services from entities that have been clients for more than five years constituted 79.80% of our total income over six months ended September 30, 2022. Our business model and underlying revenue model has a high proportion of recurring revenues from our clients. For Fiscals 2020, 2021 and 2022 and six months ended September 30, 2021 and September 30, 2022, recurring revenue from our clients accounted for 95.78%, 99.01%, 97.64%, 99.31% and 99.17% of our total sale of services, respectively. As demand for our platform as a service model continues to increase globally, we see further potential for growth in our recurring revenues from clients.

We have experienced significant growth due to an increase in business with existing clients. The increase in business with clients is due to growth in our clients business as well as various cross-sell and up-sell activities undertaken by us such as technology solutions towards website development, mobile application developments, infra and hosting facilities and platform solutions towards investor onboarding and e-voting platforms. As a result, our net revenue retention in Fiscal 2022 and six months ended September 30, 2022 for (i) domestic mutual funds solutions is 141.50% and 112.62%, respectively, and (ii) issuer solutions business is 115.81% and 123.81%, respectively.

#### **Asset-light business model with recurring revenue model, high operating leverage, profitability and cash generation**

We operate an attractive business model with a demonstrated track record of consistent profitability and returns, while operating an asset light model which has previously generated a strong free cash flow.

We believe our business operations are highly resilient and predictable to a large extent due to deep client entrenchment and largely recurring nature of revenues. For further details, see “-Our Strengths – Deeply entrenched, long-standing client relationships with a diversified and expanding client base” on page 231.

Our revenue model is different for each of our businesses and is based on the following key parameters:

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 website, CRM tools</li> <li>Fee for white-labelled customer communication</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>
Alternatives and wealth management	<ul style="list-style-type: none"> <li>% of AUM</li> <li>Fixed fee</li> </ul>
Issuer solutions	<ul style="list-style-type: none"> <li>Number of folios</li> <li>Number of corporate actions</li> <li>Hybrid model for value-add products and services</li> </ul>
Global business services	<ul style="list-style-type: none"> <li>Per full-time employee (“FTE”)</li> </ul>

Our history of profitable growth is reflected in our profit for the year, gross profit and EBITDA evolution over recent years. For further details, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 389.

We operate an attractive asset light model with strong free cash flow generation and internal accruals that enable us to continue



investing in various growth initiatives as well as undertake share buybacks so as to reward our shareholders. Our asset turnover ratio was 3.20x and 2.57x in Fiscal 2022 and six months ended September 30, 2022 (on an annualized basis), respectively. We have adopted a dividend policy. For further details, see “*Dividend Policy*” on page 301. We undertook a buyback of 14,987,846 Equity Shares in Fiscal 2020. For further details, see “*Capital Structure*” on page 95. In addition, we repaid our outstanding borrowings aggregating to ₹ 4,000 million, along with interest payments by December 31, 2021. Our return on capital deployed (“**ROCE**”) and return on equity (“**ROE**”) during six months ended September 30, 2022 is 20.71% and 24.72%, respectively (on an annualized basis).

### **Experienced management team, backed by a strong board and marquee shareholders, along with strong culture of compliance**

We have a seasoned professional leadership team, consisting of our Chief Executive Officer, Chief Finance Officer and Key Managerial Personnel. They are 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 Key Managerial Personnel have significant experience spanning decades in the financial services and related industries. For further details, see “*Our Management*” on page 275.

Our management team has demonstrated its ability to develop and execute a focused strategy to grow our business and optimize costs through technology initiatives, enabling us to strengthen our market position and deliver consistent financial performance. Our CEO took over as the position in June 2020 and has been instrumental in driving business growth through new client wins specifically in alternatives and wealth management and new clients in Malaysia, Philippines and Hong Kong, attracting talent at senior management positions and driving technology transformation for a product platform-based go-to-market strategy. Our CEO was named as one of the top 25 CEOs of Asia in Financial Technology Report, 2020. We believe that the industry knowledge and leadership of our executive leadership team, combined with their extensive experience, provide us with a competitive advantage and are instrumental in enabling us to attract high-quality talent, drive implementation of our strategy and achieve our long-term objective of delivering sustainable growth across our businesses.

Our Board is comprised of Directors with substantial experience in managing, advising and investing in technology companies. For further details, see “*Our Management*” on page 275.

Our Promoter is ultimately owned by funds advised by General Atlantic (“**General Atlantic**”). General Atlantic is a leading global growth equity firm with more than four decades of experience providing capital and strategic support for over 479 growth companies throughout its history. Established in 1980 to partner with visionary entrepreneurs and deliver lasting impact, the firm combines a collaborative global approach, sector specific expertise, a long-term investment horizon and a deep understanding of growth drivers to partner with great entrepreneurs and management teams to scale innovative businesses around the world. General Atlantic has over USD 73 billion in assets under management inclusive of all products as of November 25, 2022, and more than 227 investment professionals based in New York, Amsterdam, Beijing, Hong Kong, Jakarta, London, Mexico City, Mumbai, Munich, Palo Alto, São Paulo, Shanghai, Singapore, Stamford and Tel Aviv. Kotak Mahindra Bank acquired approximately 10% stake in our Company in November, 2021.

Our culture of compliance, focus on systems, processes and technology has 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, which tracks over 1,000 compliances across 34 operating units, 33 task owners and reviewers with 550 unique compliance IDs with a coverage across our nine departments. We have implemented a cyber security and cyber resilience policy, and our processes are ISO 27001:2013 certified. We are regulated by several regulatory entities in India and other jurisdictions, including SEBI, RBI, PFRDA, Depositories and Stock Exchanges. We undergo periodic inspections and audits by these entities. We also assist our mutual fund clients in timely fulfilment of compliance requirements relating to, among other things, scheme documentation, KYC and SEBI regulations.

### **Our Strategies**

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

Our clients operate in complex and fast-changing environment with evolving end-customer needs, regulatory updates, competition and technology innovation. This requires our clients to adapt to such dynamic environment through continuous technology –

driven innovation across their operations, without neglecting their core businesses around investments and marketing. This need leads them to select service providers who can offer comprehensive solutions that cater to an exhaustive set of operational requirements and are enabled by advanced technologies that offer higher degree of accuracy while ensuring fully digital experience. We have strong multi-year relationships with clients across our platform primarily based on core services around registry and transfer agency. Our clients utilize a range of services from our platform but not all of our services and VAS. 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. Our net revenue retention in Fiscal 2022 and six months ended September 30, 2022 for (i) domestic mutual funds solutions is 141.50% and 112.62%, respectively, and (ii) issuer solutions business is 115.81% and 123.81%, respectively. We intend to continue to grow the overall share of revenues from the sale of these services to existing and new clients. Our strategy to enhance our value proposition to our clients and deepen client relationships includes the following initiatives:

- *Domestic mutual fund solutions:* As on September 30, 2022, we had 24 operating clients in our domestic mutual fund solutions business. In addition, we signed on two new AMCs that are yet to launch operations as on September 30, 2022. (Source: CRISIL Report) While we expect to increase our revenue from these clients in line with overall market growth and growth in the business of our clients, we also seek to increase revenue from these clients by increasing the share of our 'platform-as-a-service' offering from these clients which includes
  - 'Digix', a data analytics and reporting product that eliminates the need for manual intervention in relation to regulatory, statutory reports and MIS. It also has the intelligent report builder functionality to cater to all needs of sales, marketing and operations team to slice and analyze the data instantly. It has 22 clients as on September 30, 2022;
  - 'DIT', a white label product that has six clients as on September 30, 2022,
  - 'Kbolt Go', a virtual branch as a platform, that has three clients as on September 30, 2022,
  - 'API Integration with Fintechs', a product that has four clients as on September 30, 2022. For further details, see "Description of our Business" on page 237.

We also intend to develop an end-to-end fund accounting and reconciliation solution to offer to our clients in this business by leveraging our product 'mPower' and a product of Hexagram, 'iMatch'. We intend to invest in product development so as to further grow our revenues from VAS.

- *Issuer solutions:* As on September 30, 2022 we had 5,051 clients in our issuer solutions business and we intend to increase revenues from these clients through an increase in folios managed for these issuers, increase revenues from mandatory compliance activities performed for a client and fee collection from other transaction based services performed for clients. We also intend to increase the share of our 'platform-as-a-service' offering which includes 'Fintraks' that has 80 clients as on September 30, 2022, 'eVaults' that has 47 clients as on September 30, 2022, 'eVoting/Instapoll' that has 433 clients as on March 31, 2022, 'eAGM' that has 210 clients as on March 31, 2022. We also intend to cross-sell 'iMatch', reconciliation product of Hexagram.
- In investor solutions for other asset classes, we have a strong pipeline of products under development such as 'AIF-in-a box', a comprehensive platform for AIFs, 'NPS Agent Platform', for assisted NPS sales and 'IWAPP NXT', an online web application-based solution for wealth customers. These will help us further increase our wallet share through cross sell of these products to our existing customers.
- *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, existing infrastructure and employee headcount and low client acquisition costs.

We have also filed an application dated October 17, 2022 with the National Securities Depository Limited for a depository participant license. In addition, our Subsidiary, KFin Services Private Limited has filed an application dated September 13, 2022 with the RBI for an account aggregator license. For further details, see "Government and Other Approvals" on page 430.

### **Further expand our client base and market share through enhanced sales and marketing**

In addition to the growth from existing clients, we actively pursue new client acquisition across our service offerings and different

businesses. We undertake marketing and sales initiatives across our platform to target new clients and expand our client base. We have undertaken investments in our sales capabilities in the past including building separate sales capabilities within key businesses as well as internationally. We follow a client-centric approach by providing customized solutions to cater to specific customer requirements. As a result, we have witnessed significant success in new client acquisition across our businesses. For example, we have on-boarded seven (including two AMCs that are yet to launch operations) of the last 11 new AMCs in India (including one AMC that has not yet appointed a registrar and transfer agent for their operations), each of which chose to be our clients for domestic mutual funds solutions. (Source: CRISIL Report) Further, while expanding our business in Malaysia and Hong Kong, we acquired 13 clients until September 30, 2022. In addition, we have signed on three AMCs in Malaysia and Singapore that are yet to go live with us as on September 30, 2022. Additionally, we have one client each in Oman and Maldives as on September 30, 2022.

We plan to continue on-boarding 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 South East Asia and have expanded our international sales team by adding additional country sales heads in South East Asia. We intend to augment our sales efforts by 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. Within domestic mutual fund solutions, we intend to leverage our differentiated technology combined with a platform approach and depth of value added products which are key elements of our new client acquisition strategy. Within issuer solutions, we intend to continue focusing our sales efforts on the back of track record of execution and delivery as well as various value-added products.

Among our solution offerings, alternative and wealth management investor solutions, pension services, international investor solutions and global business services are relatively new offerings added to our platform. These adjacent businesses to our core offerings are high growth and young businesses in our portfolio. We intend to increase the scale and operations of these businesses, by leveraging on relationships with existing clients in other businesses, through new client acquisitions, increased value-added offerings and increased digitization of our offerings. Our comprehensive product portfolio has helped to address the needs of these adjacent businesses and strategically positions us to develop and deploy additional products to meet the requirements of our clients. Within pension services, we are able to deliver a competitive product offering at significantly lower costs to our clients due to upfront investments made by us in technology and product development.

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 technology solutions and product innovation**

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. We have a dedicated team of 520 employees focused on developing technology and innovative solutions as on September 30, 2022. 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 us and enhance the levels or automation of processes. In Fiscals 2020, 2021 and 2022 and six months ended September 30, 2021 and September 30, 2022, our total technology expenses, which includes capital expenditure incurred towards computers and accessories, software and license fees, software expenses and employee costs constituted 10.88%, 15.90%, 20.50%, 19.24% and 22.85% of our revenue from operations, respectively. We intend to develop a co-innovation laboratory with key industry players in ETF and index funds to drive research and development in this area. We intend to continue to invest in technology innovations in line with the growth of our business and to meet client requirements. For example, in Fiscal 2022, we added a fund accounting and reconciliation product to our platform, that we shall invest in building an end-to-end fund accounting and reconciliation solution for our clients across asset classes. We have developed several of these products and services in-house or have acquired them through acquisitions, based on client requirements. Further, the increase of 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 cost. Our revenue per employee has increased from ₹ 0.83 million in Fiscal 2020 to ₹ 1.32 million in six months ended September 30, 2022. Our focus is to develop products and platforms with sector agnostic capability that will further allow us to diversify our client base. For example, our data analytics product like DIGIX and fraud analytics product like Fintrak are products that are sector agnostic and can be marketed to different customers.

### **Focused and selective international expansion**

As on September 30, 2022, we are servicing 21 AMC clients in Malaysia, Philippines and Hong Kong and have signed on three AMCs in Malaysia and Singapore that are yet to go live with us. Additionally, we have one client each in Oman and Maldives as

on September 30, 2022. We plan to start rendering services in Singapore based on one AMC client that we have won in the region. We intend to target other clients in the geographies we operate in as well as expand in to other countries within South East Asia such as Thailand and Indonesia to grow our market share in these geographies. We aim to become a leader in the third-party investor solutions business in these markets.

We also plan to expand internationally beyond the geographies we are already present by further enhancing our global delivery model wherein we will look to become delivery partners to global investor and issuer services providers, so as to enter other markets. We intend to do so with a focused product approach which will be led by alternative investment products as well as such other products that leverage the low-cost advantage in India. We currently serve some of these developed markets by operating a global ‘center of excellence’ for Computershare, wherein we serve various businesses within Computershare across Australia, U.K. and other countries. We plan to expand our relationship with them in line with their business growth by leveraging our technology expertise and execution skills. We plan to utilize our access to talent in India and our existing financial technology capabilities to deliver next-generation services in such markets in the future.

#### **Pursue strategic acquisitions:**

We believe that our market access, brand recognition, track record of business acquisition and integration along with management depth positions 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 aim to focus our efforts on the following types of businesses:

- established businesses in our key markets and businesses so as to add more clients across our business. For example, we acquired registrar and transfer agency 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;
- 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
- broadening product portfolio to deepen our client relationships. For example, we acquired Hexagram which enabled us to add fund accounting and reconciliation products to our platform.

We intend to evaluate acquisition and investment opportunities and have an active pipeline of opportunities that we track on an ongoing basis. For instance, we are evaluating an acquisition of an account aggregator company.

#### **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 our operational efficiency and productivity gains. As of September 30, 2022, approximately 1.57% of our employees are sales and marketing specialists and 14.24% are engineers, developers and other IT specialists, of which 10.09% IT engineers are involved in product development. Our employee split across functions is as below:

<b>Function</b>	<b>As on March 31, 2020</b>	<b>As on March 31, 2021</b>	<b>As on March 31, 2022</b>	<b>As on September 30, 2022</b>
Operations	4,226	4,057	4,350	4,087
IT	500	540	746	734
Support	289	276	310	299
Malaysia and Oman – operations	27	25	34	35
<b>Total</b>	<b>5,042</b>	<b>4,898</b>	<b>5,440</b>	<b>5,155</b>

We intend to grow our talent pool of engineers, developers and other IT specialists to drive our product innovation and technology strategies as well as meet the increasing demands from our clients. We have augmented our senior management over the last two years by appointing CTO, COO, CSO and CHRO and have also built a data analytics team with 30 employees, consisting of eight data scientists. They have been critical to design and deliver various data analytics products and services to our clients. In addition,

we have adopted an ESOP plan with the objective of retaining our existing talent and attracting new talent. For further details, see “*Capital Structure – Employee Stock Options Schemes*” on page 106.

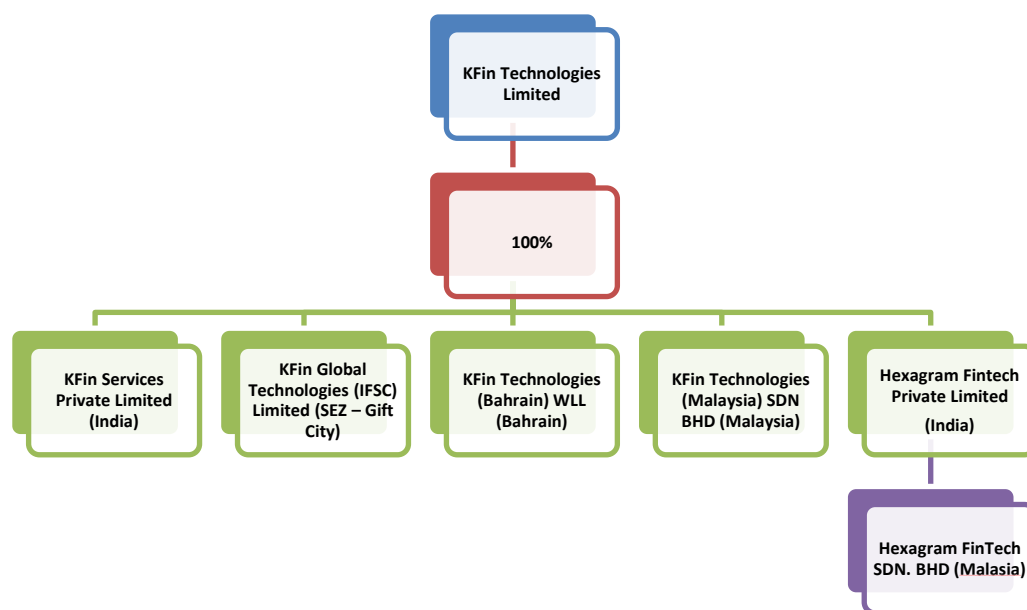
## Segmental information

Operating segments are reported in our Restated Consolidated Financial Information in a manner consistent with the internal reporting provided to the chief operating decision maker, namely, our Board. We are engaged in three business segments, namely registry services, data processing services and pension services. For further details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Segment reporting*” on page 403.

## DESCRIPTION OF OUR BUSINESS

### Corporate structure chart

The following chart sets forth the corporate structure of our Company as on the date of this Red Herring Prospectus:



## Products, Services and Operations

We are a leading 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. In addition, we provide several investor solutions including transaction origination and processing for mutual funds and private retirement schemes in Malaysia, Philippines and Hong Kong. For further details in relation to our leadership position, see “*-Overview*” on page 220.

We operate in three business verticals: investor solutions, issuer solutions and global business services. Our investor solutions includes domestic mutual fund solutions, international investor solutions (global fund solutions), investor solutions for alternatives and wealth managers, and pension services. For further details in relation to the manner in which we classify our services, see “*-Overview*” on page 220. As on October 31, 2022, our distributor feedback and customer feedback was 4.7 and 4.5, respectively. Our online survey net promoter score as on March 7, 2020 was +32.

### Market Share

Business Vertical	Parameters	Our market share
Domestic mutual funds solutions	Overall AUM <sup>1</sup>	32%
	Equity AUM <sup>1</sup>	35%
	Clients <sup>1</sup>	59%

Business Vertical	Parameters	Our market share
Alternatives and wealth management solutions	Registered funds <sup>1</sup>	30%
Pension services	Subscriber base <sup>2</sup>	5%
	Incremental client addition <sup>2</sup>	29%
Issuer solutions	Customers serviced in terms of market capitalisation <sup>1</sup>	46%
	In terms of Companies <sup>1</sup>	37%

<sup>1</sup> As at end of September 30, 2022

<sup>2</sup> As at end of Fiscal 2022

(Source: CRISIL Report)

## Investor Solutions

### Domestic Mutual fund solutions

The domestic mutual fund solutions business was launched in Fiscal 1995 by the businesses acquired by us pursuant to the Scheme of Amalgamation. As of September 30, 2022, we are India's largest investor solutions provider to Indian mutual funds, based on number of AMC clients serviced. (Source: CRISIL Report) We are providing services to 24 out of 41 AMCs, as on September 30, 2022, representing 59% of market share based on the number of AMC clients. (Source: CRISIL Report) In addition, we signed on two new AMCs that are yet to launch operations as on September 30, 2022. (Source: CRISIL Report) We offer end-to-end transfer agency services to investors and distributors of mutual funds. As of September 30, 2022, we have serviced over USD 153.72 billion of AUM of mutual funds across approximately 65.18 million folios.

### Key performance indicators

The following table sets forth our key performance indicators for the domestic mutual fund solutions for the relevant periods:

### Financial information\*

	As of March 31,			As of September 30,	
	2020	2021	2022	2021	2022
AAUM Serviced (in ₹ billion)	7,233.34	9,105.12	11,970.29	10,884.36	12,299.28
Equity AAUM serviced (in ₹ billion)	3,433.07	4,470.80	6,447.08	5,719.79	6,833.15
Equity AAUM share (in %)	47.46%	49.10%	53.86%	52.55%	55.56%
SIP Book (in ₹ billion)	772.78	1,207.35	1,772.58	1,603.49	1,976.24
Market share (in %)	26.73%	28.36%	31.19%	30.05%	31.49%
Equity AAUM market share (in %)	30.71%	33.68%	35.12%	34.61%	35.19%
Monthly Equity AAUM (in ₹ billion)**	3,055.56	4,596.23	6,356.16	6,062.42	7,065.80
Monthly SIP inflows (in ₹ million)**	33,710	37,617	53,401	43,982	54,465

\*This information is based on quarterly average for the last quarter of the relevant period.

\*\* This information is based on last month of the relevant period

*Non-financial information*

	As of and for the Fiscal ended March 31,			As of September 30,	
	2020	2021	2022	2021	2022
Number of operating clients	24	24	24	24	24
Market share by number of operating clients (in %)*	59%	59%	59%	59%	59%
Number of transactions handled (in million)	160.46	179.68	275.14	121.82	152.09
Number of systematic transactions handled (in million)	107.76	126.94	194.79	85.52	116.90
Number of live folios (in million)	36.17	41.64	60.71	50.13	65.18
Number of total investor folios (in million)	78.43	89.18	107.84	96.32	112.93
Number of PAN accounts handled (in million)	11.86	13.78	22.03	17.43	23.93

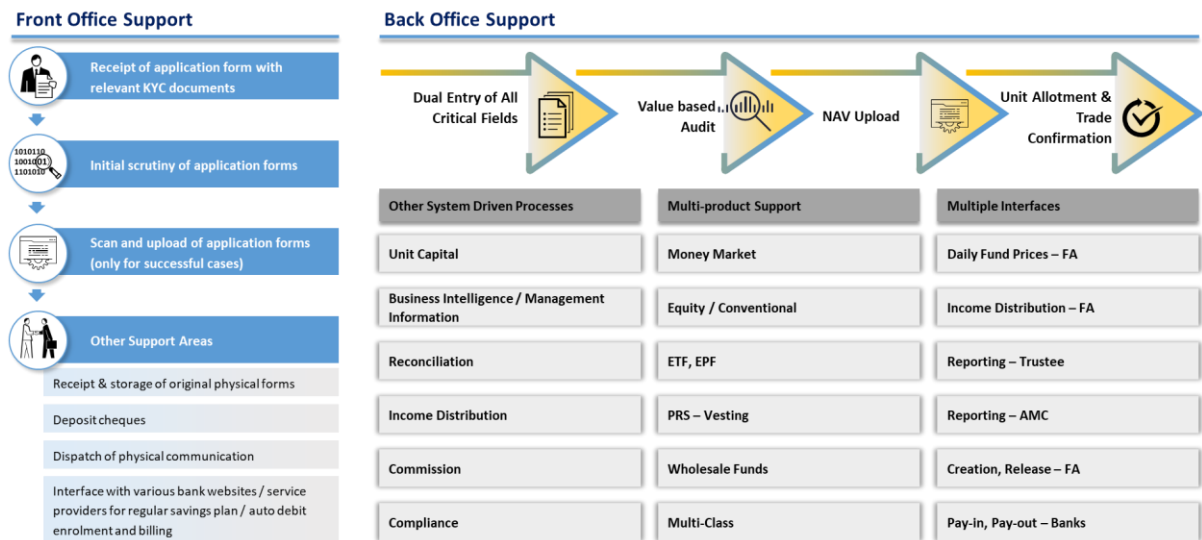
\*(Source: CRISIL Report)

*Description of solutions*

We provide end-to-end support from the stage of receipt of application form with relevant KYC documents to unit allotment and trade confirmation in the following manner:

- *Front office support:* Once we receive the application form with relevant KYC documents, we scrutinize the application forms, scan and upload the successful application forms. We also store original physical forms, deposit cheques, dispatch physical communication and provide an interface with various banks and service providers for regular savings plan, auto debit enrolment and billing.
- *Back office support:* We do a dual entry of all critical fields, perform a value-based audit, NAV upload and provide support in unit allotment, trade confirmation, dividend payouts, brokerage processing and payout and reconciliation. We also provide support in various reporting and compliance requirements of AMCs.

The following graphic sets forth the process for our mutual fund transfer agency services:



We have a VAS portfolio spanning technology driven offerings such as PAAS and data as a service (“DAAS”). We have a scalable technology platform and a network of 182 branches across India as on September 30, 2022.

We enter into agreements with our domestic mutual fund clients which typically set out, among other things, our duties, responsibilities as an RTA. Pursuant to such agreements, we are required to provide services to the investors and unitholders of mutual funds managed by our clients including channels of distribution of their products, and maintain and follow service level, business requirements and strict turnaround time as specified in the agreements in implementing our obligations. Our payment from our mutual fund clients are dependent upon the service level achieved and typically includes AUM based fees, new fund offer processing fees, investor service center charges, transaction fees and fees for additional services such as call center support and SMS services. In addition, we are required to indemnify our clients the actual loss incurred by our clients for actions arising out of or attributable to us, which includes events of errors arising out of commission and/or omission of (i) wrong processing, (ii) missing out processing the application and reporting, (iii) misplacing application and (iv) serious violations as per guidelines issued by SEBI, and shall be subject to an agreed maximum aggregate liability of 12 to 36 months of agreed fees under such agreements. Such agreements are typically valid for three to five years subject to renewal, and pricing would be renegotiated when such contracts are up for renewal. See “Risk Factors – We may be exposed to certain liabilities pursuant to the terms of our contractual agreements with our clients and the occurrence of such events could adversely affect our business and results of operations” on page 39 for a description of risks related to the terms of our contractual agreements.

#### *Clients*

Our key clients for our domestic mutual fund services solutions include Nippon Life India Asset Management Limited, UTI Asset Management Company Limited, Axis Asset Management Company Limited, MIRAE Asset Mutual Fund, Sundaram Asset Management Company Limited and LIC Mutual Fund Asset Management Limited and Edelweiss Asset Management Limited.

#### *International investor solutions (Global fund solutions)*

We offer a wide range of services to global asset managers across Malaysia, Philippines and Hong Kong, Oman and Maldives. We also offer full-fledged localized solutions encompassing core services and digital platforms. We cater to international mutual funds, employee provident funds, private retirement schemes and fund distributors. As on September 30, 2022, we are serving 21 AMC clients in Malaysia, Philippines and Hong Kong and have signed on three AMCs in Malaysia and Singapore that are yet to go live with us. Additionally, we have one client each in Oman and Maldives as on September 30, 2022.

#### *Key performance indicators*

The following table sets forth our key performance indicators for the international investor solutions for the relevant periods:

#### *Financial information\**

	As of March 31,			As of September 30,	
	2020	2021	2022	2021	2022
AAUM serviced (₹ in billion)	457.78	614.31	634.34	624.97	523.91

\* This information is based on monthly average for the last month of the relevant period.

#### *Non-financial information*

	As of and for the Fiscal ended March 31,			As of and for the six months ended September 30,	
	2020	2021	2022	2021	2022
Number of operating clients	20	19	23	19	23
Transactions handled (in million)	0.94	3.10	3.23	1.45	2.24

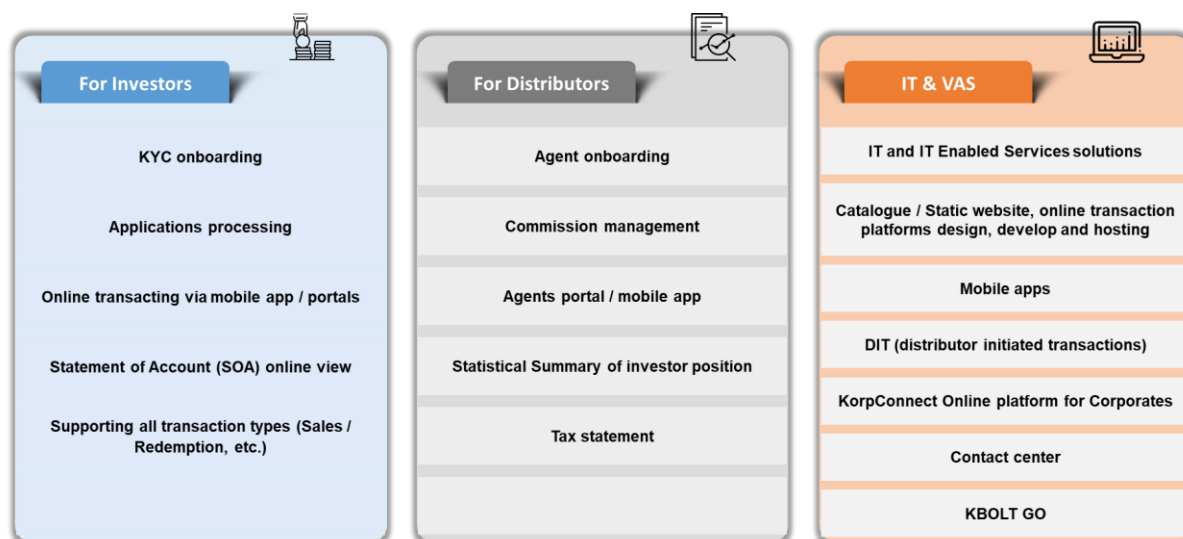


## Description of solutions

We provide the following comprehensive suite of solutions across the ecosystem:

- **Investors:** KYC onboarding, applications processing, online transacting using the mobile application and portals, viewing of statement of account online and supporting all transaction types such as sales and redemption;
- **Distributors:** Agent boarding, commission management, agents portal and mobile application, statistical summary of investor position and tax statement;
- **Value added service:** White labelled digital platforms such as AMC websites, mobile applications, distributor platforms, platforms for AMC employees for assisted sales, platforms for institutional investments, business insight reports to C-suite level officers of AMCs, electronic AGM, compliance platform and e-voting platform.

The following graphic sets forth the process for our international investor solutions:



We enter into agreements with our international investor clients which typically set out, among other things, our duties and responsibilities as an RTA. Pursuant to such agreements, we are required to provide services to our international investor clients in accordance with the terms and conditions of such agreements and the operation memorandum attached to each such agreement, if any. Under these agreements, we are required to indemnify our clients for any actual loss incurred by our clients arising out of or attributable to us, which shall include events of errors arising out of omission and commission to (i) missing out processing application and reporting, (ii) misplacing application and (iii) wrong process, and indemnify and hold harmless our clients from and against all losses, claims, damages, liabilities and expenses incurred by our clients arising from or as a result of any breach of such agreement. Our maximum aggregate liability is generally capped to the extent of six to twelve months of agreed fees under such agreements. Our payment under such agreements typically include monthly minimum fees per fund and incremental AUM based fees. Such agreements are typically valid until terminated by serving written notice by either party.

## Clients

Our key clients for our international investor solutions business include BIMB Investment Management Berhad ATM Capital Management Sdn Bhd, BPI Investment Management Inc. and Bank Muscat SAOG. Additionally, through our acquisition of Hexagram, we acquired 23 clients on fund accounting and reconciliation.

## Fund accounting and reconciliation services

We have recently acquired 23 clients and added fund accounting and reconciliation products to our platform through the acquisition of Hexagram in Fiscal 2022. These products are being used by 24 clients across different segments within financial services sector in India and Malaysia, including mutual funds, alternative investment funds and corporate treasuries as on September 30, 2022. We have developed several of these products and services that we have developed in-house and hence, are

proprietary to us, or have acquired them through acquisitions. These products and services are applicable across asset classes and geographies, and find applications across asset classes. For example, our core back-end mutual fund solutions processing engine caters to mutual funds agnostically across regions and clients including all global clients for conducting transfer agent business. Our products drive operational efficiency and provide our clients the ability to do 360 degree analysis of interactions with all stakeholders such as investors and distributors.

### Pension services

We are one of the three operating CRAs for NPS in India as on September 30, 2022. (Source: CRISIL Report) For further details, see “Industry Overview” on page 151. The pension services business was launched in Fiscal 2017 by the businesses acquired by us pursuant to the Scheme of Amalgamation. We provide end-to-end services for permanent retirement account number issuance, recordkeeping, administration and investor support.

We offer differentiated and technology integrated offering to points of presence (“PoP”) to drive investor acquisitions. We integrate the pension ecosystem participants on a single operational interface. We cater mainly to corporates and a state government. The number of our corporate clients and overall subscriber base stood at 1,756 and 841,938 as of September 30, 2022 (Source: CRISIL Report).

### *Key performance indicators*

The following table sets forth our key performance indicators for the pension services for the relevant periods:

### *Financial information\**

	As of March 31,			As of September 30,	
	2020	2021	2022	2021	2022
AAUM managed (in ₹ billion)	8.23	30.51	211.16	43.18	252.95

\* This information is based on monthly average for the last month of the relevant period.

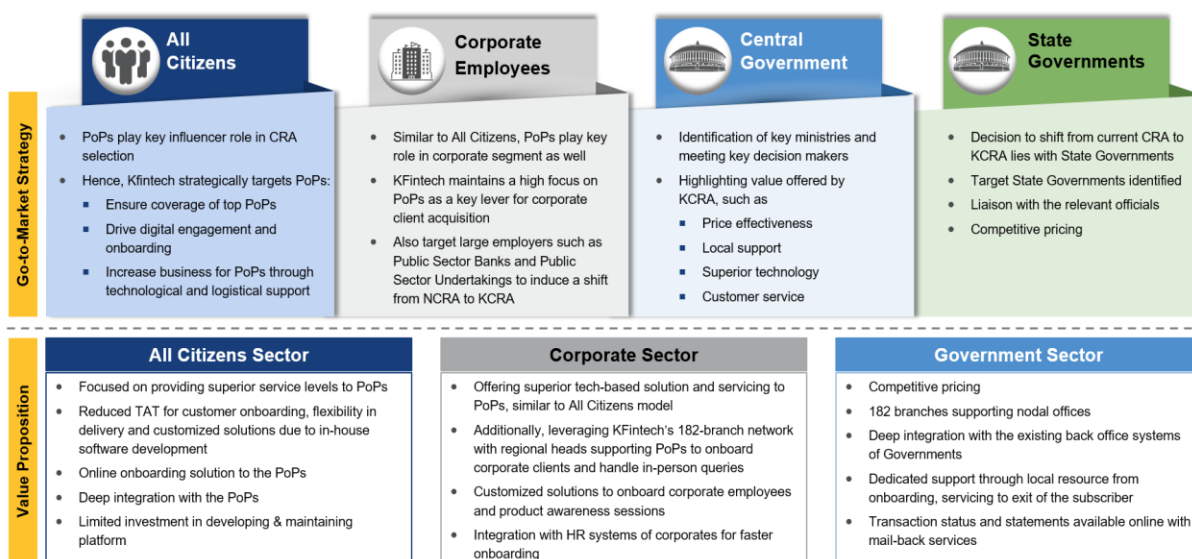
### *Non-financial information*

	As of and for the Fiscal ended March 31,			As of and for six months ended September 30,	
	2020	2021	2022	2021	2022
Number of subscribers	210,063	361,152	7,47,576	423,286	841,938
Number of corporate clients	709	1,028	1,396	1,234	1,756
Number of transactions handled (in million)	0.61	1.78	3.53	1.21	2.72

### *Description of solutions*

We have a transaction-based revenue model which includes account opening charges, annual maintenance charges and fees based on the number of transactions or subscriptions by the subscriber. The AUM for NPS is expected to grow at a CAGR of 18-19% between Fiscals 2022 and 2027, owing to a rise in the subscriber base due to the tax benefits provided by NPS. (Source: CRISIL Report) As a result, we believe that we are well-positioned to benefit from the growing NPS subscriber base in India.

The following graphic sets forth the process for our pension services:



### Clients

As on September 30, 2022, 50 PoPs use our digital platform and our PoP network includes ICICI Prudential Pension Funds Management Company Limited as well as other pension fund managers in India.

### Alternative and wealth management solutions

Launched in Fiscal 2010 by the erstwhile entities, as part of our alternative and wealth management solutions, we serve alternate investment managers across private equity, venture capital and other investors as well as wealth managers. Our offerings include transfer agency services, stamp duty services, legal and tax regulatory and compliance support, compliance support, fund accounting and technology solutions. As on September 30, 2022, we are servicing over 301 funds of 192 asset managers in India. (Source: CRISIL Report)

### Key performance indicators

The following table sets forth our key performance indicators for the alternative and wealth management solutions for the relevant periods:

### Financial information\*

	As of March 31,			As of September 30,	
	2020	2021	2022	2021	2022
AAUM managed (₹ in billion)	311.34	358.10	504.68	449.63	620.25

\*This information is based on monthly average for the last month of the relevant period.

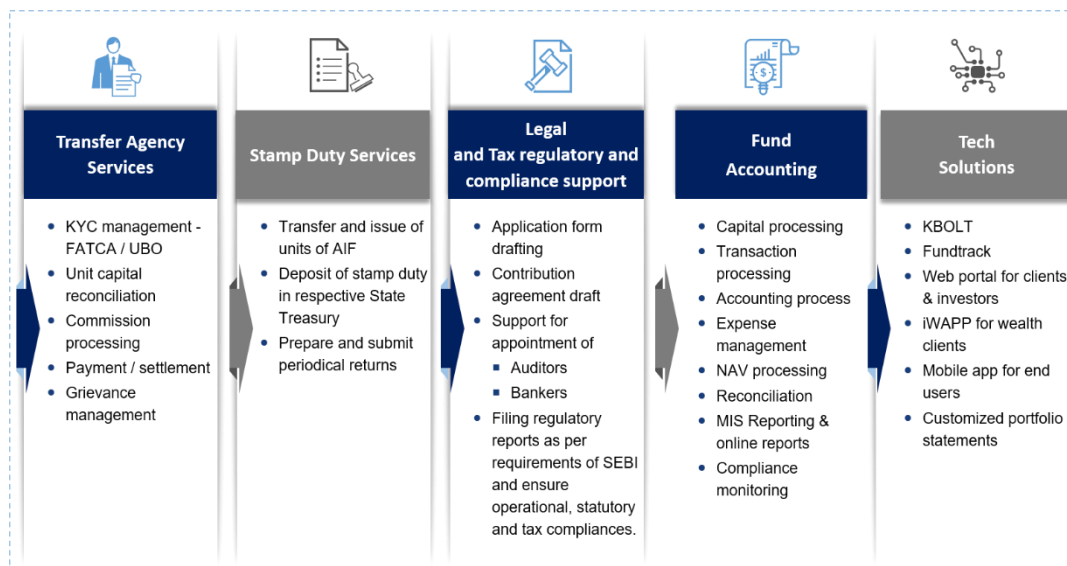
### Non-financial information

	As of and for the Fiscal ended March 31,			As of and for the six months ended September 30,	
	2020	2021	2022	2021	2022
Number of managers	49	135	178	144	201
Number of funds	88	240	268	226	301

### Description of solutions

We provide a comprehensive suite of solutions as follows:

- *Transfer agency services:* We manage KYC, including with respect to Foreign Account Tax Compliance Act and ultimate beneficial owner declarations. We also provide services for alternative investment fund (“AIF”) unit capital reconciliation, commission processing, payments and settlements and grievance management.
- *Stamp duty services:* We provide support for transfer and issue of units of AIF. We also provide services for depositing stamp duty in the respective state treasury and preparing and submitting periodic returns.
- *Legal and tax regulatory and compliance support:* We provide support for drafting of application form, contribution agreement and also provide support for appointment of auditors and bankers. We assist in filing regulatory reports as per the requirements of SEBI and ensuring operational, statutory and tax compliances.
- *Fund accounting:* We provide services such as capital processing, transaction processing, accounting process, expense management, NAV processing, reconciliation, MIS reporting and online reports and compliance monitoring.
- *Technology solutions:* KBOLT is a core front-end for data entry platform, and TaskMF for AIF and Fundtrack for fund accounting are the core business processing engines. We also offer complete digital onboarding solutions for all of our AIF investors across categories, making the entire onboarding journey paperless. Further, we provide an online portal for clients and investors with mobile application for end-users to access customized portfolio statements. In addition, we also provide iWAPP, which is a customized wealth management platform for wealth managers. The following graphic sets forth the process for our alternative and wealth management services:



We enter into agreements with our alternative and wealth manager clients which typically set out, among other things, our duties and responsibilities as an RTA. Pursuant to such agreements, we are required to render services with due accuracy at service level specified in such agreement. Under such agreements, we agreed to indemnify our clients for any non-fulfillment or non-compliance our duties and responsibilities therein, including any service level requirements specified and our duties and responsibilities under the SEBI Regulations Our maximum aggregate liability is 36 months of agreed fees under such agreements. Our payment from alternative and wealth manager clients primarily include one-time set up fee per new scheme and fixed monthly fee per scheme per fund. Such agreements are valid until terminated in accordance with the provisions of the agreements.

#### *Clients*

Our key clients for our alternative and wealth management services business include Edelweiss Asset Management Limited, Nippon Life India Asset Management Limited, Axis Asset Management Co Ltd, SBI Funds Management Pvt. Ltd, ASK Investment Managers Limited and Vivriti Asset Management Private Limited.

#### *Issuer solutions*

We are the largest issuer solutions provider in India based on number of clients serviced, as on September 30, 2022. (Source: CRISIL Report) We are one of only two players of scale in India's issuer solutions space where we hold a 46% market share based on the market capitalization of NSE 500 companies and a 37% market share based on number of clients serviced within NSE 500 companies, each as on September 30, 2022. (Source: CRISIL Report) Player of scale corresponds to entities with minimum 25% market share (in terms of serviced clients) within NSE 500 companies in the Indian issuer solutions space. (Source: CRISIL Report) We also had a 40% and 29% market share based on number of mainboard initial public offerings handled in Fiscal 2022 and six months ended September 30, 2022. (Source: CRISIL Report).

The issuer solutions business was launched in Fiscal 1985 by the businesses acquired by us pursuant to the Scheme of Amalgamation. We offer new issue and post issue services to listed clients. We also offer pre-issue services to unlisted clients. We have large in-house processing capabilities and in-house record management services. We provide value added services such as E-AGM platform, E-voting platform, E-vault, Insider trading compliance platform, advisory, IR and analytics. We have adopted a first to market approach with respect to web-based allotment and refund status. As on September 30, 2022, we have 182 branches to cater to investors across India and we serve over 5,051 clients.

We primarily have a folio based fee model along with transaction basis or fixed fee for corporate actions and subscription or usage basis for value added services. We have recently started servicing real estate investment trusts and infrastructure investment trusts and also provide IBC related services.

We have workflow-based platforms for effective process and operations. We have an experienced and trained team of 500 professionals as on September 30, 2022. We conduct concurrent audit and surveillance for risk mitigation. We prevent frauds through in-person verification of high value transfers.

#### Key performance indicators

The following table sets forth our key performance indicators for the issuer solutions for the relevant periods:

	As of and for the Fiscal ended March 31,			As of and for six months ended September 30,	
	2020	2021	2022	2021	2022
Number of clients	4,048	4,413	4,770	4,739	5,051
Number of folios (in million)	58.27	75.21	102.60	87.90	107.69
Number of transactions (in million)	1.88	2.04	2.95	1.40	1.74
Number of IPOs handled	5	15	22	12	4
Mainboard IPO market share by issue size handled*	18.2%	60.4%	39.2%	51.1%	64.4%
Market share in NSE 500 companies by market capitalization	47.77%	44.35%	45.24%	44.02%	45.93%

\*(Source: CRISIL Report)

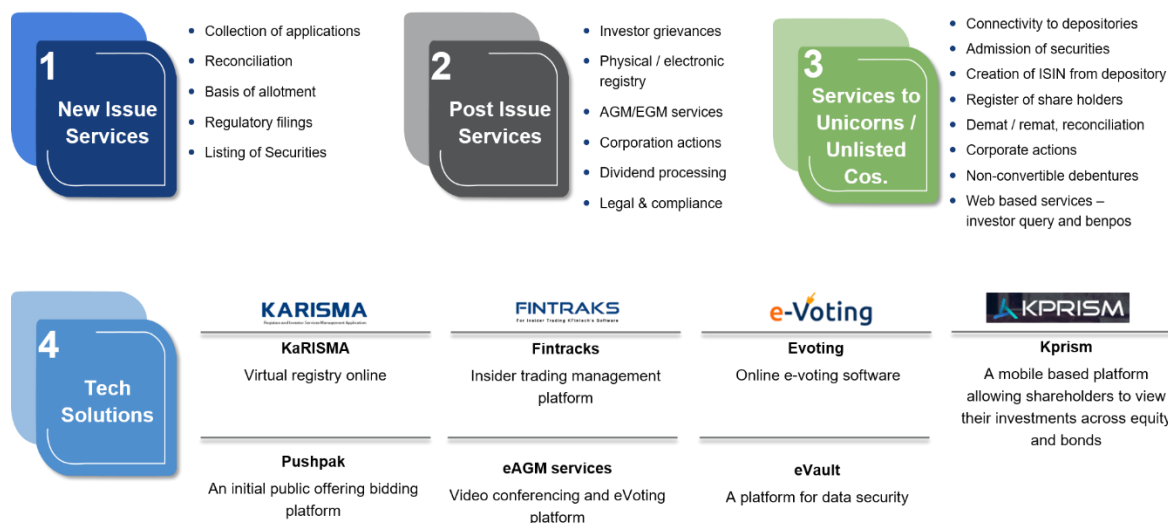
#### Description of solutions

We are capable of fulfilling the following corporate requirements:

- *New issue services:* We provide services such as support on initial public offering, liaison with regulators, stock exchanges and depositories, collection of electronic bid data, coordinate with ASBA banks or sponsor banks, reconciliation of number of bids, preparing and submitting the basis of allotment to stock exchanges, regulatory filings and listing of securities.
- *Post issue services:* We provide services such as investor grievances, physical and electronic registry, annual general meeting and extra-ordinary general meeting services, corporation actions, dividend processing, data storage and retrieval facility, and legal and compliance.
- *Services to unlisted companies:* We provide connectivity to depositories, admission of securities, creation of ISIN from depository, register of shareholders, dematerialization and dematerialization of shares, reconciliation, corporate actions, non-convertible debentures and web based services such as investor query and benpos.

- **Technology solutions:** We provide online access to real time data to investors, clients and other stakeholders. We provide a virtual online registry ‘KaRISMA’, an insider trading management platform ‘Fintraks’, 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 offering bidding platform ‘Pushpak’, a video conferencing and e-voting platform ‘eAGM’, and a platform for data security, ‘eVault’. Our tab based poll management is more than eight years old and is MCA approved and STQC certified. Our video conferencing facility is network agnostic and automatically adapts to changes in the shareholder’s network across multiple browsers.

The following graphic sets forth the process for our issuer solutions:



We enter into agreements with our issuer solutions clients which typically set out, among other things, our duties and responsibilities as an RTA. Our payment from issuer solutions clients generally include annual folio maintenance charge per shareholder/ beneficiary owner, fees for dividend processing, printing of dividend warrants and postal register, fees for reconciliation of refund order or dividend warrant, fees for scanning of signatures and maintenance of communication links for each depository to cover cost of maintaining ongoing linkage expenditure incurred for the depository link operation per month per depository. Such agreements are valid until terminated in accordance with the terms of the agreements.

#### Clients

Our key clients for our issuer solutions include Reliance Industries Limited, Infosys Limited, Bajaj Auto Limited, Hindustan Unilever Limited, Kotak Mahindra Bank Limited, Happiest Minds Technologies Limited, Fino Payments Bank Limited, L&T Technology Services Ltd, Wipro Limited, HDFC Life Insurance Company Limited, Bharti Airtel Limited, Maruti Suzuki India Limited, Axis Bank Limited and BSE Limited.

#### Global business services

We offer a range of outsourcing services including mortgages, legal services, transfer agency and finance and accounting operations. We primarily support the U.S. operations of Computershare, our primary client for this business.

We have a team of 387 employees across operations as on September 30, 2022. We have domain experts engaged across the spectrum of mortgages with collectively over 65 years of experience.

#### Key performance indicators

The following table sets forth our key performance indicators for the global business services for the relevant periods:

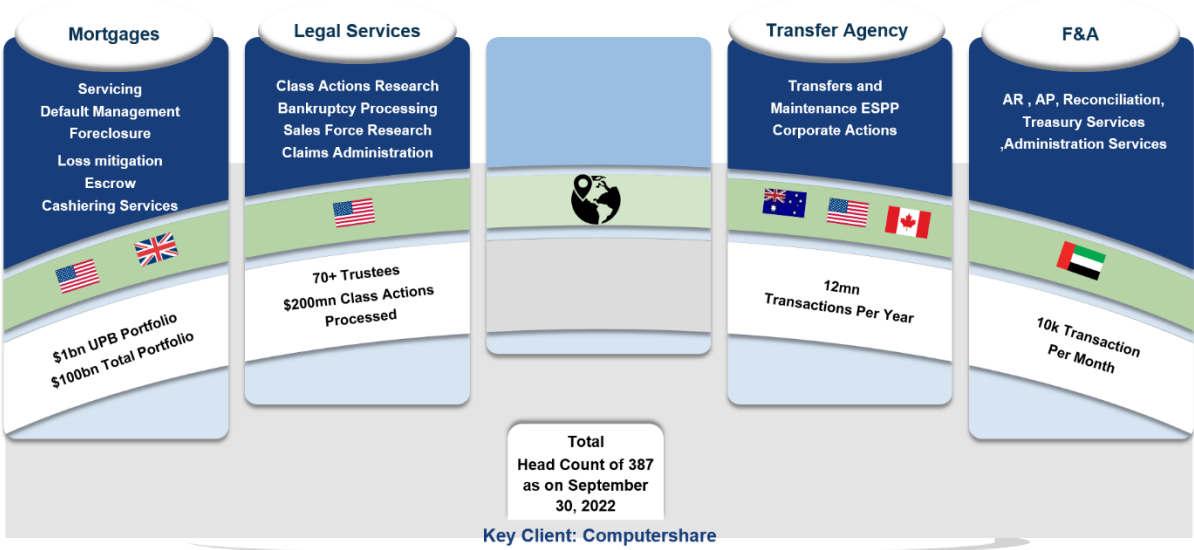
	As of and for the Fiscals ended March 31,			As of and for six months ended September 30,	
	2020	2021	2022	2021	2022
Number of billable FTEs	323	339	331	322	319
Number of transactions handled (in million)	21.71	39.01	46.87	16.96	35.21

*Description of services*

We have a comprehensive service portfolio as follows:

- *Mortgage services:* We manage end to end servicing of mortgages that includes default management, foreclosure, loss mitigation, escrow and cashiering services and more than 120 other processes as of September 30, 2022. We provide mortgage services in the U.S. and U.K with approximately 35 million transactions processed at loan level per year.
- *Legal services:* We provide support in class actions research, bankruptcy processing, sales force research and claims administration. As on September 30, 2022, we have over 70 trustees and have processed over USD 200 million class actions.
- *Transfer agency:* We provide support in transfer and maintenance of employee stock purchase plans and corporate actions such as stock transfers and sale and reissue services. We conduct approximately 12 million transactions per year. We provide transfer agency services in U.K., Australia and Canada.
- *Financing and accounting services:* We provide services such as accounts receivable, accounts payable, reconciliation, treasury services and administration services. We conduct 10,000 transactions per month. We provide financing and accounting services in UAE.

The following graphic sets forth the key processes managed across geographies:



We enter into agreements with our global business service clients which typically set out, among other things, our duties and responsibilities as a vendor. Pursuant to such agreements, our personnel are required to provide services to our global business service clients in an efficient, expeditious, professional, workmanlike and skillful manner within the time periods required by such agreements and the statements of work entered into between us and our clients (the “SOW”). Our global business service clients will pay for services performed by our customer service representatives in accordance with the forecast on all-inclusive, flat monthly fee basis, in accordance with monthly rate as set out in the SOW. Such monthly rate will be reviewed annually and may be increased based on the productivity gain achieved in the previous year. Such agreements are typically valid for five years, subject to automatic renewal, unless terminated by mutual consent of both parties.

## *Clients*

As on September 30, 2022, our key client is ComputerShare.

## **Network and Other Infrastructure**

Our front office operations are conducted through our pan-India physical network comprising 182 branches spread across 24 states and three union territories as on September 30, 2022.

We have two middle offices and two back offices as on September 30, 2022. We have a primary data center located in Hyderabad, Telangana, and a disaster recovery site in Bengaluru, Karnataka built to ensure business continuity across all our critical functions in the event of a disaster. All these locations are connected on a real time basis, ensuring continuous availability and data replication and redundancy. We have an aggregate of over 250 TB of storage of data in our businesses as on September 30, 2022. We also have a call center in Hyderabad, Telangana.

## **Risk Management**

Our risk management processes aim to identify and assess new risks impacting us and define measures to monitor and respond to risks effectively. In order to address the risks that are inherent in our business, we have developed a risk management architecture that includes monitoring by our Board. We conduct periodic risk management training for our employees and senior management to inculcate a uniform risk management culture. We continuously identify and implement comprehensive policies and procedures to assess, monitor and manage risk.

## **Cybersecurity**

Our information technology security program is designed to meet the needs of our clients who entrust us with their sensitive information. Our information security program includes a dedicated information and cybersecurity team which provides oversight and guidance to our information security program measures, tools and processes that are intended to prevent information and cybersecurity concerns 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 guidelines on safeguarding and using private and sensitive information of our Company, our investors and clients for our employees. We also conduct vulnerability assessments periodically. In addition, we have also implemented a cyber-security and resilience policy. The policy adheres to the National Institute of Standards and Technology framework and is compliant with the circular issued by SEBI on September 8, 2017 in relation to cyber security and resilience framework. The effectiveness of the controls are audited on an annual basis by an external CISA certified and CERT-In empaneled auditing firm.

As on September 30, 2022, we have an information technology team of 734, approximately 50 of whom are responsible for cybersecurity and resilience, and infrastructure support. In addition, we have an IT Strategy Board Committee which provides decisions regarding prioritizing business and IT projects, discussing how IT services apply to non-IT business needs, and ensuring IT best practices, such as security and disaster recovery plans.

To further demonstrate our commitment to maintaining high levels of quality service, information security and client satisfaction within an environment that fosters continual improvement, we hold ISO 27001:2013 certification for information security. This security standard specifies the requirements for establishing, implementing, maintaining and continually improving an information security management system within the context of an organization. It also includes requirements for the assessment and treatment of information security risks tailored to the needs of the organization.

## **Intellectual property**

We generally rely on a combination of trademark, confidentiality procedures, technical measures and contractual restrictions, to protect our technology, products and solutions developed in-house and our intellectual property. For further details, see “*Government and Other Approvals*” on page 430.

See “*Risk Factors – We are substantially dependent on our intellectual property rights, and a failure to protect these rights could adversely affect our business, financial condition or results of operations. Further, the inability to identify, obtain and retain intellectual property rights to technology could harm our business.*” on page 67 for a more comprehensive description of risks related to our intellectual property.

## **Competition**



The market for our services are highly competitive. We compete with a number of entities that provide similar services in each of the business lines in which we operate. We compete on the basis of a number of factors, including depth of service offerings, innovation, reputation, service quality, customization, price and convenience. For instance, in our domestic mutual funds solutions business, we compete on the basis of technological capability, operating leverage, and knowledge of the market. For our alternatives and wealth management solutions business, we compete on the basis of payment structures, setup cost and customized options and for our issuer solutions business, we compete on the basis of technological infrastructure, our ability to offer curated solutions and provide on-demand support. For details of our competitors, see “*Industry Overview*” on page 151.

## Insurance

We maintain insurance policies that we believe are customary for companies in our industry. Our principal types of coverage include cyber security insurance, standard fire and special perils policy, commercial crime insurance policy, commercial general liability policy, marine cargo policy and error and omissions liability policy. We have also obtained group term life insurance policy, group personal accident policy, group mediclaim policy and a directors’ and officers’ liability insurance.

## Human Resources

We employed 5,042, 4,898 and 5,440 personnel as on March 31, 2020, March 31, 2021 and March 31, 2022, respectively. As on September 30, 2022, we employed 5,155 personnel and majority of them are based in India. The breakdown of our permanent employees in different functionalities as of the periods indicated, has been provided below:

Function	As on March 31, 2020	As on March 31, 2021	As on March 31, 2022	As on September 30, 2022
Operations	4,253	4,082	4,384	4,122
Information technology	500	540	746	734
Support functions	289	276	310	299
<b>Total</b>	<b>5,042</b>	<b>4,898</b>	<b>5,440</b>	<b>5,155</b>

Our employees include, among others, graduates from educational institutes. We have a diverse and inclusive workforce wherein our employees belong to different age groups and have been previously employed by organizations and multinational corporations in various industries. The attrition rate for our employees for Fiscals 2020, 2021 and 2022 and six months ended September 30, 2021 and September 30, 2022 was 27.4%, 18.2%, 26.7%, 21.1% and 28.3%, respectively.

We engaged approximately 600 employees through a third-party vendor as on September 30, 2022. These skilled and semi-skilled contract employees are deployed across all our businesses as needed. Our current contract with the vendor is in effect until mutually terminated by either party issuing 30 days’ notice to the other.

We have adopted a balance of people centric policies, practices and benefits such as Equal Employment Opportunity, PoSH, Leave Policy, Enhanced Mediclaim, Parental Mediclaim, Health and Well Being, Creche Facilities, Transgender Policy, Hybrid Working Model, Annual Appraisal System, LTIPs, ESOPs and Grievance Redressal Policy in order to create and maintain a collaborative and friendly work environment. We offer our employees performance linked incentives and benefits and conduct employee engagement programs from time to time. We believe we have good relations with our employees.

## Properties

Our Registered and Corporate Office is located at Selenium Tower B. Plot No-31 & 32, Financial District, Nanakramguda, Serilingampally, Rangareddi – 500032, Hyderabad, Telangana, India. Our Registered and Corporate Office is on a lease basis for a term of nine years starting from May 26, 2014. As on September 30, 2022, we have 182 branches, two middle offices, two back offices, a primary data center in Hyderabad, Telangana, a disaster recovery site in Bengaluru, Karnataka and a call center in Hyderabad, Telangana, on a lease basis. These properties have been leased from unrelated third parties. The period of lease typically ranges from three to nine years, and the rentals are typically payable on the basis of prevailing market rates depending on the geographical location of the property. Further, we have one office in Bahrain and two offices in Malaysia which has been taken on a lease basis. None of the lease agreements have been entered into with related parties. For further details, see “*Financial Statements – Notes to Restated Financial Information – Note 39: Related Parties*” on page 363. For further details, see “*Risk Factors - We conduct our business operations on leased premises and our inability to renew such leases may adversely affect our operations.*” on page 56.

## **Corporate Social Responsibility**

We have adopted a corporate social responsibility (“**CSR**”) policy effective from April 1, 2021 in compliance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014. Our CSR initiatives focused on different areas such as healthcare, development of art and culture, education of underprivileged children, contribution and financial assistance as well as promotion of employment and enhancement of vocational skills.

For further information on our Board of Directors and Key Management Personnel, see “*Our Management*” on page 275. For further information on our financial performance, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 389 and for further information on our outstanding litigation and regulatory proceedings, see “*Outstanding Litigation and Material Developments*” on page 423.

## KEY REGULATIONS AND POLICIES

The following is an overview of the key sector-specific laws and regulations that are applicable to our Company in India. Taxation statutes such as the Income Tax Act, labour laws such as Contract Labour Act and other miscellaneous regulations and statutes such as the Trade Marks Act, 1999, apply to us as they do to any other Indian company.

The information of laws and regulations available in this section has been obtained from publications available in public domain and is based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative actions, regulatory, administrative or judicial decisions. The description of laws and regulations set out below is not exhaustive, and is only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For further details in relation to our material approvals, see "Government and Other Approvals" on page 430.

### **Laws governing our Company**

Some of the key rules and regulations governing the Company's functioning are enumerated below.

#### **Securities and Exchange Board of India (Intermediaries) Regulations, 2008 ("SEBI Intermediaries Regulations")**

The SEBI introduced the SEBI Intermediaries Regulations in order to regulate the activities of intermediaries in the financial markets such as registrars to an issue, participants, asset management companies, clearing member of a clearing corporation or clearing house, foreign portfolio investors and trading members of a derivative segment or currency derivatives segment of a stock exchange. In order to act as an intermediary, a person is required to apply to the SEBI for the grant of a certificate to act as an intermediary, as per the SEBI Intermediaries Regulations. The SEBI grants a certificate in the form specified in the relevant regulations on satisfaction of the eligibility of the applicant. A person may carry on the activities of one or more intermediaries only if it obtains a separate certificate to carry on each such activity.

Intermediaries are required to provide the SEBI with a certificate on April 1 of each year certifying, *inter alia*, compliance with obligations, responsibilities and fulfilment of eligibility criteria on a continuous basis. Further, they are required to redress investor grievances within 45 days of receipt thereof or within the time specified by the SEBI, when called upon by the SEBI.

An intermediary and its directors, officers, employees and key management personnel are required to abide by the code of conduct specified in the SEBI Intermediaries Regulations, under which they are required to, *inter alia*, ensure investor protection, promptly disburse dividends on behalf their clients, avoid conflict of interest and ensure that good corporate policies and corporate governance policies are in place.

SEBI may appoint inspecting authorities to undertake inspection of the books of accounts, records and documents of an intermediary for any purpose. In case of default, the SEBI may take actions including but not limited to, suspension of certificate of registration for a specified period, cancellation of registration, warning the intermediary, prohibit taking up any new assignment or contract or launch a new scheme for a specified period, and debarring a branch or an office from carrying out activities for a specified period.

#### **Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 ("SEBI RTA Regulations")**

The SEBI introduced the SEBI RTA Regulations in order to regulate the activities of a registrar to an issue or a share transfer agent ("RTA"). In order to carry out its business as a RTA, a person is required to apply to the SEBI for the grant of a certificate of registration, as per the SEBI RTA Regulations. This application may be under Category I (to carry on the activities as a registrar to an issue and share transfer agent) or Category II (to carry on the activity either as a registrar to an issue or as a share transfer agent). Prior to issuing a certificate of registration, SEBI takes into account certain matters relevant to activities as a RTA, such as, *inter alia*, necessary infrastructure, past experience, capital adequacy requirements and fulfilment of the fit and proper criteria. Under Category I and Category II, the networth of the applicant shall be ₹5 million and ₹2.5 million, respectively.

RTAs are required to abide by the code of conduct specified in the RTA Regulations, which requires them, *inter alia*, to maintain high standards of integrity in the conduct of their business, endeavour to ensure that inquiries and grievances from investors are dealt with without any delays, avoid conflict of interest, intimate any change in registration status or any penal actions taken by the SEBI promptly to clients, develop its own internal code of conduct for governing its internal operations and lay down standards of appropriate conduct for its employees and officers in carrying out their duties as a RTA.

Every RTA is required to appoint a compliance officer who shall be responsible for monitoring the compliance of the SEBI Act, rules and regulations, notifications, guidelines, instructions etc. issued by the SEBI or the GoI and for redressal of investors' grievances. Further, the SEBI may undertake inspection of book of accounts, other records and documents of the RTA to protect the interests of securities market and the investors. Non-compliance or contravention of the provisions under the SEBI RTA Regulations by a RTA may result in actions and penalties as prescribed under the SEBI Intermediaries Regulations.

***Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (“SEBI Depositories Regulations”)***

The SEBI introduced the SEBI Depositories Regulations in order to regulate the activities of a depository participant. A person who proposes to act as a depository/ depository participant is required to obtain a certificate of registration from SEBI. Depository participants registered under the SEBI Depositories Regulations shall be deemed to have been granted a certificate of registration under the SEBI Depositories Regulations, 1996, provided that such registration was granted prior to the commencement of the SEBI (Change in conditions of registration of certain intermediaries) (Amendment) Regulations, 2016.

Application for registration as a depository participant is required to be made to the SEBI through the depository in which the applicant proposes to act as a depository participant, as per the SEBI Depositories Regulations. While granting certificate of registration as a depository participant, the SEBI takes into account, *inter alia*, that which category of persons the applicant belongs to, such as public financial institution, institutions engaged in providing financial services etc., whether it is a fit and proper person. The grant of certificate of registration as a depository participant is subject to certain requirements, *inter alia*, the depository through which application has been forwarded holds a certificate of commencement of business, prior approval of the SEBI for continuing to act after a proposed change in control (as defined in the SEBI Depositories Regulations) and for immediate intimation to the SEBI of details of changes that have taken place in the information submitted while seeking registration.

Depository participants are required to abide by the code of conduct as specified in the SEBI Depositories Regulations, which mandates, *inter alia*, protecting the interests of investors, maintaining high standards of integrity, and endeavouring to resolve all complaints against such depository participant or in respect of activities carried out by it within one month of receipt. The depository participants are also required to institute an adequate disaster recovery plan and procedures.

Depository participants are required to appoint a compliance officer who is responsible for monitoring compliance of the SEBI Act, rules and regulations, notifications, guidelines, instructions etc. issued thereunder and for the redressal of investors' grievances. Further, the SEBI may undertake inspection of the books of account, records, documents and infrastructure systems and procedures, or to investigate the affairs of a depository or a depository participant to ensure interest of investors or the securities market. If a depository participant contravenes any provisions of the SEBI Depositories Regulations then such depository participant shall be penalised in the manner provided in the SEBI Intermediaries Regulations.

In accordance with to the corrigendum on preservation of records dated August 18, 2020 to the SEBI master circular for depositories dated October 25, 2019 (“**Corrigendum**”) SEBI Circular dated August 18, 2020, the mandatory period for the preservation of records and documents by depository participants has been increased from a period of five years to eight years.

***SEBI circular - Enhanced monitoring of Qualified Registrars to an Issue and Share Transfer Agents (“QRTAs”) dated August 10, 2018 (“SEBI Enhanced Monitoring of QRTAs Circular”)***

Under the SEBI Enhanced Monitoring of QRTAs Circular, QRTAs (*RTAs servicing more than 20 million folios*) are required to formulate and implement a comprehensive policy framework, as approved by the board of directors of the QRTAs. Compliance report of enhanced norms is required to be submitted to the SEBI within 60 days of expiry of each calendar quarter. The policy framework shall include, *inter alia*:

- a. risk management policy, which shall contain, *inter alia*, integrated view of risks to the QRTAs, list of all relevant risks such as cyber security and operational risks and responsibilities and accountability for risk decisions;
- b. business continuity plan with a center situated at an off-site location, which is capable to take over operations without disruption, in case of any service failure at the primary processing centre;
- c. where records are kept electronically by the QRTAs, integrity of automatic data processing systems is required to be maintained at all times;
- d. wind-down plan, which is a plan of action employed, for transfer of entire QRTA operations to an alternative RTA/ QRTA, that would take over operations in scenarios such as erosion of net-worth of the QRTA;
- e. data access and data protection policy, laying appropriate protocols and controls for its activities and for entities who wish to connect with database of QRTAs electronically;
- f. minimum standards, protocols and procedures for smooth functioning shall be laid down by QRTAs and all database, servers and data storage shall be located in India;
- g. responsibilities of the board of directors – board of directors of QRTAs shall seek reports on incidents which impact investor protection;
- h. service standards – QRTAs shall maintain investor service centers and shall have the requisite online capabilities to resolve investor queries;
- i. scalable infrastructure – board of directors of the QRTAs are required to approve a policy framework for upgradation of infrastructure and technology from time to time; and
- j. insurance against risks – QRTAs are required to take adequate insurance for omissions and commissions, frauds by employees to protect the interest of the investors.

***SEBI circular – Cyber Security and Cyber Resilience framework for Registrars to an Issue / Share Transfer Agents dated September 8, 2017 (“SEBI Cyber Security Circular”)***

The provisions of the SEBI Cyber Security Circular are applicable only to QRTAs who are required to formulate a comprehensive cyber security and cyber resilience policy document encompassing the framework under the SEBI Cyber Security Circular. Such policy document is required to be reviewed by the board of directors of the QRTAs annually. Further, the board of directors of the QRTAs are required to constitute a technology committee comprising experts proficient in technology, and such committee shall review the implementation of such policy on a quarterly basis. QRTAs are further required to designate a senior official as chief information security officer to, *inter alia*, assess, identify and reduce cyber security risks and implement processes as per such policy.

The policy document should encompass principles prescribed by National Critical Information Infrastructure Protection Centre of National Technical Research Organisation in the report titled ‘*Guidelines for Protection of National Critical Information Infrastructure*’.

The cyber security and cyber resilience policy should include processes to, *inter alia*:

- a. identify critical IT assets and risks associated with such assets;
- b. protect assets by deploying suitable controls, tools and measures;
- c. detect incidents, anomalies and attacks through appropriate monitoring tools/ processes;
- d. respond by taking immediate steps after identification of the incident, anomaly or attack; and
- e. recover from incident through incident management, disaster recovery and business continuity framework.

Further, QRTAs should conduct periodic training programs on cyber security for its employees and outsourced staff, vendors etc. and conduct an annual independent audit of its systems for compliance. Such report of independent auditor shall be submitted to the SEBI within three months of the end of the financial year, along with comments of the board of directors of the QRTAs.

***SEBI circular - Cyber Security & Cyber Resilience framework for Qualified Registrars to an Issue / Share Transfer Agents dated October 15, 2019 (“SEBI Cyber Security Circular II”)***

The SEBI Cyber Security Circular prescribed the framework for cyber security and cyber resilience for QRTAs. Subsequently, the SEBI Cyber Security Circular II, issued certain guidelines for submission of report/ information such as the format for submitting the report and mode of submission of reports, along with the relevant timelines.

***SEBI circular - Cyber Security & Cyber Resilience framework for Qualified Registrars to an Issue / Share Transfer Agents dated May 27, 2022 (“SEBI Cyber Security Circular III”)***

The SEBI Cyber Security Circular III provided modifications in the provisions for identification and classification of critical assets, stating such assets should include business critical systems, internet facing applications /systems, systems that contain sensitive data, sensitive personal data, sensitive financial data, personally identifiable information data, etc. Further, it also provides timelines for QRTAs to carry out vulnerability assessment and penetration tests and comprehensive cyber audits.

***SEBI circular - Cyber Security & Cyber Resilience framework for Qualified Registrars to an Issue / Share Transfer Agents dated July 06, 2022 (“SEBI Cyber Security Circular IV”)***

The SEBI Cyber Security Circular IV modified the cyber-attack reporting provisions of the SEBI Cyber Security Circular. The QRTAs are required to report all cyber-attacks, threats, cyber-incidents and breaches experienced by them within 6 hours of noticing/detecting such incidents. The incidents should also be reported to Indian Computer Emergency Response team. Further, QRTAs are also required to submit quarterly reports on cyber-attacks to SEBI.

***SEBI circular – Review of Regulatory Compliance and Periodic Reporting dated July 5, 2012 (“SEBI Regulatory Compliance Circular”)***

Under the SEBI Regulatory Compliance Circular, the quarterly report to be furnished by the RTAs, in terms of SEBI circular no. RRTI circular no. 1 (94-95) dated October 11, 1994 (Instructions to Registrars to Issue/ Share Transfer Agents) and MIRSD/DPS-2/RTA/Cir-17/2008 dated May 6, 2008 (Reporting of information on a quarterly basis - Registrars to Issue and Share Transfer Agents) (the “**SEBI Quarterly Reporting Circular**”), have been revised. The board of directors of the RTAs are required to review the reports and record their observation on (i) the deficiencies and non-compliances, and (ii) corrective measures initiated to avoid such instances in future. The compliance officer of the RTAs shall send the report in the revised format to the SEBI on half yearly basis within three months of the expiry of the half year.

***SEBI circular – Periodical report – Grant of prior approval to registrars to an issue and share transfer agents dated June 17, 2011 (“SEBI Periodical Report Circular”)***

In light of the amendment to the SEBI RTA Regulations vide notification dated April 19, 2011, the requirement of taking prior approval by the RTAs from the SEBI for change in status or constitution was dispensed with. Accordingly, under the SEBI Periodical Report Circular, RTAs are required to report the following changes to the SEBI in quarterly reports:

- a. amalgamation, demerger, consolidation or any other kind of corporate restructuring, as per the Companies Act;
- b. change in director, including managing director/ whole-time director; and
- c. change in shareholding not resulting in change of control.

Further, if there is no change during the relevant quarter, the same is required to be indicated in the report.

***Pension Fund Regulatory and Development Authority Act, 2013, as amended (the “PFRDA Act”)***

The PFRDA Act establishes the Pension Fund Regulatory and Development Authority (the “PFRDA”). The PFRDA’s functions include: (i) the promotion old age income security by establishing, developing and regulating pension funds; (ii) protecting the interests of subscribers to schemes of pension funds; and (iii) regulating other connected or incidental matters. The PFRDA Act empowers the PFRDA to grant registrations and permit persons to act as a point of presence for the purpose of receiving contribution and instructions, transmitting them to a trustee bank or the central record keeping agency, as the case may be, and paying out benefits to subscribers. The PFRDA Act empowers the PFRDA to issue regulations, from time to time, to provide, inter alia, for: (a) the manner of receiving contributions and instructions and transmitting them to the trustee bank or central record keeping agency; (b) functioning of points of presence; and (c) the manner in which a pension fund may receive contributions, accumulate them and make payments to subscribers.

***Pension Fund Regulatory and Development Authority (Central Recordkeeping Agency) Regulations, 2015 (“PFRDA (CRA) Regulations”)***

PFRDA (CRA) Regulations aim to set standards for the eligibility, governance, organization and operational conduct of a Central Recordkeeping Agency and for providing centralized recordkeeping, administration and customer service functions to all subscribers under the National Pension System in accordance with the provisions of the PFRDA Act. Central Record Keeping Agencies shall render at all times high standards of service and exercise due diligence and ensure proper care in their operations. Some of the responsibilities under the PFRDA (CRA) Regulations are: (i) build, maintain and operate the National Pension System, (ii) act as operational interface for all intermediaries, (iii) set up information technology infrastructure, (iv) provide web-based access to the PFRDA and (v) provide a periodic management information system and information as called for to the PFRDA.

***Special Economic Zones Act (“SEZ Act”) and the Special Economic Zones Rules, 2006 (“SEZ Rules”)***

A SEZ is a specifically delineated duty free enclave, deemed to be a foreign territory for the purposes of trade as well as duties and tariffs. A board of approval has been set up under the SEZ Act, which is responsible for promoting the SEZ and ensuring its orderly development. Under the SEZ Act, the central government is also authorized to approve and prescribe the requirements for setting up of an International Financial Services Centre in a SEZ. The SEZ Rules prescribe the procedure for the operation and maintenance of a SEZ and for setting up and conducting business therein.

***The Information Technology Act, 2000 (the “IT Act”) and the rules made thereunder***

The IT Act seeks to: (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information; (ii) facilitate electronic filing of documents; and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. Additionally, the IT Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defence and security of India, among other things. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access of any information generated, transmitted, received, stored or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing.

The IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorised manipulation of any computer, computer system or computer network and damaging computer systems, and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto, among others.

The IT Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, (“DoIT”) Ministry of Electronics and Information Technology, Government of India, in April 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (“IT Security Rules”) which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected, and any third party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The DoIT also notified the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 (“IT Intermediary Rules”) requiring intermediaries receiving, storing, transmitting, or providing any

service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the IT Intermediary Rules, to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it, as well as specifying the due diligence to be observed by intermediaries. The IT Intermediary Rules further requires the intermediaries to provide for a grievance redressal mechanism and also appoint a nodal officer and a resident grievance officer.

### ***Draft India Data Accessibility and Use Policy, 2022***

The Draft India Data Accessibility and Use Policy (“**Data Policy**”) was introduced by the Ministry of Electronics & Information Technology on February 21, 2022. The Data Policy aims to enhance access, quality, and use of non-personal data, in line with the current and emerging technology needs of the decade. The primary objectives of the policy include: (i) maximising access to and use of quality non personal data available with public sector; (ii) enhancing the efficiency of service delivery; (iii) protecting privacy and security of all citizens; (iv) building digital and data capacity, knowledge and competency of government officials; (v) increasing the availability of datasets of national importance; and (vi) streamlining inter-government data sharing while maintaining privacy, etc.

### **FOREIGN EXCHANGE LAWS**

The foreign investment in our Company is governed by, *inter alia*, the FEMA, as amended, the FEMA Rules, the Consolidated FDI Policy Circular of 2020 (“**FDI Policy**”) effective from October 15, 2020, issued and amended by way of press notes, which prescribe certain requirements with respect to downstream investments by Indian companies that are owned or controlled by foreign entities and with respect to foreign investment into India and transfer of ownership or control of Indian companies in sectors with caps on foreign investment from resident Indian persons or entities to foreigners, as well as such transactions between foreigner. These requirements currently include restrictions on pricing, issue, transfer, valuation of shares and sources of funding for such investments, and may, in certain cases, require prior notice to or approval of the Government of India.

In terms of the FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which the foreign investment is sought to be made. For further details, please see “*Restrictions on Foreign Ownership of Indian Securities*” on page 484

RBI has also issued Master Direction on Foreign Investment in India dated January 4, 2018 (updated until March 8, 2019) (“**Master Directions**”). In terms of the Master Directions, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which the eligibility criteria are as prescribed).

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed five percent of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Further, in terms of the FEMA Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral caps applicable to Indian company as laid out in paragraph 3(b) of Schedule I of FEMA Rules with respect to paid-up equity capital on fully diluted basis or such same sectoral cap percentage of paid-up value of each series of debentures or preference shares or share warrants.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the Consolidated FDI Policy and the FEMA Rules.



In addition to the above, our Company is required to comply with the provisions of the Indian Contract Act, 1872, Companies Act, 2013, Income Tax Act 1961, the Income Tax Rules, 1962, as amended by the Finance Act in respective years, Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017, IBC and other applicable laws and regulations imposed by the central and state governments and other authorities for our day-to-day operations.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was originally incorporated under the Companies Act, 2013 as 'KCPL Advisory Services Private Limited' and was granted a certificate of incorporation by the Registrar of Companies, Telangana at Hyderabad ("RoC") on June 8, 2017. The Board of our Company approved the change in the name of our Company from 'KCPL Advisory Services Private Limited' to 'Karvy Fintech Private Limited' by their resolution dated July 22, 2017, which was thereafter approved by the Shareholders of our Company through their resolution dated July 24, 2017 and a fresh certificate of incorporation, under the Companies Act, 2013, was issued by the RoC on August 10, 2017. Pursuant to the Scheme of Amalgamation between Karvy Consultants Limited ("KCL"), Karvy Computershare Private Limited ("KCPL") and our Company, all the assets and liabilities pertaining to the RTA business of KCL (including but not limited to the equity investment of KCL in KCPL) were demerged into our Company on a going concern basis; and KCPL was amalgamated into our Company, with effect from November 17, 2018. The Board of our Company approved the change in the name of our Company from 'Karvy Fintech Private Limited' to 'KFin Technologies Private Limited' through their resolution dated November 25, 2019, which was thereafter approved by the Shareholders of our Company through their resolution dated November 30, 2019 and a fresh certificate of incorporation, under the Companies Act, 2013, was issued by the RoC on December 5, 2019. The Board of our Company approved the conversion of our Company from a 'private limited company' to a 'public limited company' through their resolution dated January 8, 2022, which was thereafter approved by the Shareholders of our Company through their resolution dated January 28, 2022. Pursuant to the conversion of our Company into a public limited company, the name of our Company was changed from 'KFin Technologies Private Limited' to 'KFin Technologies Limited', and a fresh certificate of incorporation dated February 24, 2022 was issued by the RoC.

### Disassociation of our Company with the erstwhile promoter and promoter group of the Company

In November 2018, the RTA business of KCL was demerged into our Company on a going concern basis pursuant to the Scheme of Amalgamation (and receipt of SEBI approval for the same in August 2018, on account of change of control of the RTA Business) and GASF acquired 83.25% of our Equity Share capital pursuant to the GASF Agreements (*as defined below*), the Share Subscription Agreement and the shareholders' agreement dated August 3, 2017 entered amongst CP Group, Adhiraj Parthasarathy, GASF and the Company ("**SHA 2017**"), each as described in this section below.

While the CP Group continued to hold 16.75% of our Equity Share capital, the management of our Company with a view to mitigate any concerns that the clients and / or the regulatory authorities may have in relation to the association of the CP Group with our Company, had undertaken the following actions with a view to disassociate itself from the CP Group:

- (i) On November 23, 2019, C. Parthasarthy resigned from our Board and stepped down as its chairman, post which, Vishwanathan Mavila Nair was appointed as the chairman of our Board.
- (ii) Pursuant to C. Parthasarthy resigning from our Board and stepping down as its chairman, no other nominee Director was appointed on our Board by the CP Group.
- (iii) Our Company changed its name from 'Karvy Fintech Private Limited' to 'KFin Technologies Private Limited' with effect from December 5, 2019 and consequent to its conversion from a 'private limited company' to a 'public limited company', with effect from February 24, 2022 to its current name, 'KFin Technologies Limited'.
- (iv) On January 9, 2020, we filed Form MGT-14 with the MCA with respect to the resolution passed by our Board on December 30, 2019, for reclassification of the CP Group shareholders as non-promoters i.e., as public Shareholders of our Company, leaving GASF as our sole Promoter. We intimated SEBI of the above reclassification by way of a letter dated January 13, 2020.
- (v) In 2020, the SHA 2017 entered amongst CP Group, Adhiraj Parthasarathy, GASF and the Company ("**Parties**") was amended by a supplemental shareholders' agreement dated April 3, 2020 ("**Supplemental SHA**") entered amongst the Parties. Pursuant to the terms of the Supplemental SHA, the CP Group renounced its rights in relation to the governance of our Company in favour of GASF, and agreed to exercise their voting rights in matters of our Company in a manner directed by GASF. On May 28, 2021, the SHA 2017, as amended from time to time, was agreed to be terminated, effective from September 6, 2021. For details, see "*-Other Agreements*" below.

Therefore, as on the date of this Red Herring Prospectus, the CP Group, i.e., C. Parthasarthy, Rajat Parthasarathy, C. Parthasarathy HUF and Compar Estates and Agencies Private Limited are only equity shareholders of our Company, holding the KFin Subject Shares, i.e., 2,36,54,680 Equity Shares, aggregating to 14.12% of our Equity Share capital. Further, on November 10, 2021, Kotak Mahindra Bank Limited subscribed to 1,67,25,100 Equity Shares, aggregating to 9.98% of our Equity Share capital. For further details, see “*Risk Factors- We are dependent on the strength and recognition of our brand and reputation, and activities of third-parties and entities, including our prior association to Karvy Group, may damage our brand and reputation, which may harm our business.*”.

### Changes in our Registered Office

Effective date of change	Details of Change	Reason(s) for change
August 27, 2018	The registered office of our Company was changed from “Plot No. 31/P, Karvy Millennium, Nanakramguda Gachibowli, Hyderabad - 500 032, Telangana” to “Karvy Selenium, Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, India”	To keep the registered and corporate office at the same premises
February 6, 2020	The registered office of our Company was changed from “Karvy Selenium, Tower B, Plot Nos 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi - 500032, Telangana, India” to “Selenium, Tower B, Plot Nos 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi - 500032, Telangana, India”	Consequent to the change in name of the building where the Registered Office was located from ‘Karvy Selenium’ to ‘Selenium’

### Main objects of our Company

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

Clause No.	Particulars
1	To carry on, provide and act as registrar to an issue, registrar and securities transfer agent, computer data management and recordkeeping agent technical and management consultants and advisors covering all branches and disciplines of management such as corporate legal affairs, secretarial, personnel, finance, administration, taxation, and other allied areas, accounting, information systems, organizational studies, systems analysis.
2	To carry on, provide services and to act as advisors, management consultants, direct, indirect and allied tax consultants to companies, firms or persons either by themselves or in partnership with others and to perform all and singular the several duties, services and offices which secretaries, treasurers and/or agents of any company and more specifically to perform other allied company secretarial work, to act as managers and/or Trustees and to provide issue house services and transfer agent services in connection with the creating, issue of shares, debentures, bonds, mutual funds, securities and allied activities.
3	To carry on the business as Depository/participant/custodian of securities or any other intermediary associated with the securities market as contemplated under the Securities and Exchange Board of India Act, 1992 (as amended), Depositories Act, 1996 and/or the rules and regulations framed there under from time to time or amendments affected there in relation to the said line of activity or any related activity including acting as an agent, associate representative or assignee of any Depository, registered owner or participant and for the said purpose to carry out all activities necessary and proper and exercise all rights and powers in relation or under the statutes governing the said line of activity from time to time.
4	To carry on, provide services and to act as financial advisors, management consultants personal and corporate investment and finance portfolio managers, direct, indirect and allied tax consultants to companies, firms or persons either by themselves or in partnership with others and to perform all and singular the several duties, services and offices which secretaries, treasurers and/or agents of any company and more specifically to perform other allied company secretarial work, to act as managers and/or Trustees and to provide issue house services in connection with the creating, issue of shares, debentures, bonds or conversion of debentures, debenture stocks, bonds, obligations, shares, stocks and securities and to facilitate, encourage and guarantee the issue and subscription of capital, shares, stocks, units, debentures, debenture stocks, obligations and other securities by virtue of acting as underwriters or brokers.
5	To act as an insurance repository of e-insurance policies issued by insurers, whether life insurers or general insurers, and to undertake their changes, modifications and revisions based on such requests by policyholders, in accordance with rules and regulations as may be prescribed by the Insurance Regulatory and Development Authority’s (IRDA) and, to implement any other short/long term projects that fortify the vision of IRDA including consulting, development and support activities.

Clause No.	Particulars
6	To establish, set up, operate and maintain an electronic system with suitable electronic connectivity, for providing facility to process, preserve, maintain and retrieve in electronic form, records of documents and/or databases including collecting, collating, classifying, segregating, processing, profiling of various types of data pertaining to ownership of, title to, possession and holding of or transfer or movement of, movables property including goods or commodities in transit, Immovable property including lands and incidences thereof, intangible property, intellectual property, term deposit receipts, securities including units, debts and obligations, money market instruments, and depository receipts, saving certificates, electronic stamp duties and fees, various other certificates and proofs of matters like births, deaths, marriages, divorces, adoption, identity and ration cards, medical history of patients, registration of vehicles, statements issued by Mutual Funds and Asset Management Companies, Collective Investment Schemes, Venture Capital Funds, Provident Funds, Pension Funds, Gratuity Funds, Government or Semi Government Offices or any departments thereof but not limited to Postal, Revenue, Registration and Railways, Local Bodies, Courts, Tribunals and Registries, Banks, Companies, Bodies Corporate, Trusts, or any other entities or any other records relating to Unique Identification Number and undertake such activities, functions and responsibilities as may be permitted or imposed by any statutory authority or regulatory body subject to applicable statutory enactment or any subordinate legislation, rules, regulations, orders, circulars thereunder Issued by a competent authority which are or may become applicable from time to time or as may be voluntarily taken up by the Company.
7	To provide transaction processing for life, general and health insurance policies including services such as policy issuance and fulfillment, payout processing, reconciliations, renewals collection and processing; claims processing, policy owner services and customer service using voice and non voice channels, customer communication, agent services, technology services including application/solution development, website development, maintenance and hosting, business support services including staffing and HR services, record management services, consultancy and support including such other services not being categorized as core functions of the insurance companies.

#### Amendments to our Memorandum of Association in the last 10 years

The following table set forth details of the amendments to our Memorandum of Association, in the last 10 years preceding the date of this Red Herring Prospectus:

Date of Shareholders' resolution / Consent of the Shareholders	Particulars
July 24, 2017	Change in the name of our Company from 'KCPL Advisory Services Private Limited' to 'Karvy Fintech Private Limited'
August 17, 2018	Clause 3 (a) of the MoA was amended to insert the following sub-clause after the existing clause 3 (a) 2:  <i>"To facilitate, initiate, promote, deal, set-up , carry on , conduct and manages the business of providing Information Technology enabled database and front office, middle office and back office services as an advisor or as a consultant or as a managed service provider or on a turnkey basis either alone or in association with any other entity(ies) in India and abroad including but not limited to providing central recordkeeping agency work to pension funds; data repository &amp; processing and such other activities for wealth management products including Bonds, Equities, Debentures, Mutual Funds, Exchange Traded Funds, Alternative Investment Funds, Real Estate Investment Trusts, Infrastructure Investment Trusts, Structured Products, Private Equity Funds, Hedge Funds, Certificates of Deposits, Money Market Funds, Insurance Products, Pension Products, Real Estate Investments and such other products and all matters connected or incidental thereto in India and abroad."</i>
October 15, 2018	Amendment to clause 5 of the MoA to reflect the increase in the authorised share capital of our Company from ₹ 60,000,000, comprising 6,000,000 Equity Shares of face value of ₹ 10 each, to ₹ 1,700,000,000, comprising 170,000,000 Equity Shares of face value of ₹ 10 each
August 11, 2017	Pursuant to the Scheme of Amalgamation  amendment to clause 5 of the MoA to reflect the consolidation of the authorised share capital of Karvy Computershare Private Limited with our Company, pursuant to the Scheme, and consequent increase in the authorized share capital from ₹ 1,700,000,000, comprising 170,000,000 Equity Shares of face value of ₹ 10 each, to ₹ 1,760,000,000, comprising 176,000,000 Equity Shares of face value of ₹ 10 each; and  alteration of the objects clause of the MoA to add the following clauses:

Date of Shareholders' resolution / Consent of the Shareholders	Particulars
	<ol style="list-style-type: none"> <li>1. To carry on, provide and act as registrar to an issue, registrar and securities transfer agent, computer data management and recordkeeping agent technical and management consultants and advisors covering all branches and disciplines of management such as corporate legal affairs, secretarial, personnel, finance, administration, taxation, and other allied areas, accounting, information systems, organizational studies, systems analysis.</li> <li>2. To carry on, provide services and to act as advisors, management consultants, direct, indirect and allied tax consultants to companies, firms or persons either by themselves or in partnership with others and to perform all and singular the several duties, services and offices which secretaries, treasurers and/or agents of any company and more specifically to perform other allied company secretarial work, to act as managers and/or Trustees and to provide issue house services and transfer agent services in connection with the creating, issue of shares, debentures, bonds, mutual funds, securities and allied activities.</li> <li>3. To carry on the business as Depository/participant/custodian of securities or any other intermediary associated with the securities market as contemplated under the Securities and Exchange Board of India Act, 1992 (as amended), Depositories Act, 1996 and/or the rules and regulations framed there under from time to time or amendments affected there in relation to the said line of activity or any related activity including acting as an agent, associate representative or assignee of any Depository, registered owner or participant and for the said purpose to carry out all activities necessary and proper and exercise all rights and powers in relation or under the statutes governing the said line of activity from time to time.</li> <li>4. To carry on, provide services and to act as financial advisors, management consultants personal and corporate investment and finance portfolio managers, direct, indirect and allied tax consultants to companies, firms or persons either by themselves or in partnership with others and to perform all and singular the several duties, services and offices which secretaries, treasurers and/or agents of any company and more specifically to perform other allied company secretarial work, to act as managers and/or Trustees and to provide issue house services in connection with the creating, issue of shares, debentures, bonds or conversion of debentures, debenture stocks, bonds, obligations, shares, stocks and securities and to facilitate, encourage and guarantee the issue and subscription of capital, shares, stocks, units, debentures, debenture stocks, obligations and other securities by virtue of acting as underwriters or brokers.</li> </ol>
November 30, 2019	Change in the name of our Company from 'Karvy Fintech Private Limited' to 'KFin Technologies Private Limited'
April 3, 2020	Alteration of the Clause 3 of the MoA to reflect the current objects of the MoA of our Company
September 30, 2021	Amendment of Clause 5 of the MoA to reflect change in the authorised share capital of our Company from ₹ 1,760,000,000 divided into 176,000,000 Equity Shares of face value of ₹ 10 each to ₹ 1,760,000,000 divided into 175,980,000 Equity Shares of face value of ₹ 10 each and 1,000 preference shares of ₹ 200 each
January 28, 2022	Change in the name of our Company from 'KFin Technologies Private Limited' to 'KFin Technologies Limited' pursuant to conversion from a private limited company to a public limited company.

### Major events and milestones

The table below sets forth some of the major events and milestones in the history of our Company:

Calendar year	Major events and milestones
2017	Our Company was incorporated as 'KCPL Advisory Services Private Limited'
2017	Our Company entered into a share subscription agreement with General Atlantic Singapore Fund Pte. Ltd. ("GASF")
2017	Our Company approved the Scheme of Amalgamation between Karvy Consultants Limited, Karvy Computershare Private Limited and KCPL Advisory Services Private Limited
2018	National Company Law Tribunal, Hyderabad Bench approved the Scheme of Amalgamation
2018	The Company had issued and allotted Non-convertible Debentures ("NCDs") to Standard Chartered Bank and Nomura Singapore Limited
2019	The Company completed a buy-back of 14,987,846 Equity Shares from General Atlantic Singapore Fund

Calendar year	Major events and milestones
	Pte. Ltd., Compar Estates and Agencies Private Limited, C. Parthasarathy – HUF, C. Parthasarathy, Adhiraj Parthasarathy and Rajat Parthasarathy
2019	Vishwanathan Mavila Nair was appointed as the Chairman of the Board
2019	The name of the Company was changed from ‘Karvy Fintech Private Limited’ to ‘KFin Technologies Private Limited’
2019	Re-classification of the promoters was approved by our Board and GASF became the sole promoter of the Company
2020	Venkata Satya Naga Sreekanth Nadella was appointed as Whole Time Director & CEO
2021	The Company executed a subscription agreement and a shareholders’ agreement with Kotak Mahindra Bank Limited
2021	The Company had filed an application with the NCLT for modification in the sanctioned Scheme of Amalgamation
	The Company redeemed 4,000 rated, listed, redeemable, non-convertible debentures
2022	The Company converted from a private limited company to a public limited company
	NCLT approved the modification, pertaining to change in the accounting treatment of goodwill, in the sanctioned Scheme of Amalgamation
	Incorporation of KFin Global Technologies (IFSC) Limited, a wholly owned subsidiary of the Company at IFSC in Gift City, Gujarat.
	Venkata Satya Naga Sreekanth Nadella was appointed as Managing Director and CEO.

### Key awards, accreditations or recognitions

The table below sets forth some of the awards, accreditation or recognitions received by our Company:

Calendar year	Awards, accreditation or recognitions
2022	Our Company received an award from ‘National Awards for Leadership and Excellence’, for ‘Marketing Communication – Business to Business’.
2021	Our Managing Director and CEO <i>i.e.</i> , Venkata Satya Naga Sreekanth Nadella received the “ <i>Global Asian of the year award</i> ” from ‘AsiaOne Magazine’.
	Our Company was selected as the ‘Prestigious Rising Brands’ of India 2021-22 in the category ‘Finance and technology’ by Brands Advertising Research & Consulting Private Limited.
	Our Managing Director and CEO <i>i.e.</i> , Venkata Satya Naga Sreekanth Nadella received the “Outstanding Achievement Award for Business Excellence” from All India Achievers Foundation.
2020	Our Company received the award for ‘Asia’s Greatest Brands 2020-2021’ from ‘Asia One’

### Our holding company

As on the date of this Red Herring Prospectus, General Atlantic Singapore Fund Pte. Ltd. is our holding Company. For details with respect to our Promoter, see “*Our Promoter and Promoter Group*” on page 297.

### Our Subsidiaries and joint ventures

For details with respect to our Subsidiaries, see “*Our Subsidiaries*” on page 269.

Our Company does not have any joint ventures as on the date of this Red Herring Prospectus.

### Launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, see “*Our Business*” on page 220.

### Time and cost overrun in setting up projects by our Company

As on the date of this Red Herring Prospectus, our Company has not experienced any time or cost overruns in setting up any projects.

### **Defaults or rescheduling/restructuring of borrowings with financial institutions/banks**

Our Company has not defaulted on repayment of any loan availed from any banks or financial institutions. Further, the tenure of repayment of any loan availed by our Company from banks or financial institutions has not been rescheduled or restructured.

### **Details of guarantees given to third parties by the promoter participating in the Offer for Sale**

As of the date of the RHP, there are no guarantees given by our Promoter to third parties.

### **Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets in the last 10 years**

Except as stated below, our Company has not acquired any material business or undertaken any mergers or amalgamations or divestments of business or undertaking in the last 10 years preceding the date of this Red Herring Prospectus.

#### ***Share purchase agreement dated December 31, 2021 between our Company, M.S. Chandrasekher, Ravi Seshadri, A.K. Sridhar, Padma Sridhar, Ravindranath Ramakrishna, Susheela R.K. Ravindranath Ramakrishna HUF, Arun Menon, Kreethana Menon, Malavika Menon and Hexagram Fintech Private Limited***

Through a share purchase agreement dated December 31, 2021 (“**Share Purchase Agreement**”) our Company acquired 14,900,000 equity shares of Hexagram Fintech Private Limited (“**Hexagram**”) representing 100.00% of the shareholding of Hexagram, for a total consideration amount aggregating to ₹ 251.53 million.

#### ***Scheme of Amalgamation***

A scheme of amalgamation was filed before the NCLT, Hyderabad, between Karvy Consultants Limited (“**KCL**”), Karvy Computershare Private Limited (“**KCPL**”), our Company (*formerly known as Karvy Fintech Private Limited*) pursuant to Section 230 to 232, and other applicable provisions, of the Companies Act, 2013, for the demerger of all the assets and liabilities pertaining to the RTA business of KCL (including but not limited to the equity investment of KCL in KCPL) (“**Demerged Undertaking**”) into our Company on a going concern basis; and amalgamation of KCPL into our Company and consequent dissolution of KCPL without winding up (“**Scheme of Amalgamation**”).

Amongst other things, all of the immovable properties, all moveable assets, all permits, licenses, contracts, memoranda of agreements, intellectual property rights, debts, litigations, liabilities, duties, taxes, employees of the Demerged Undertaking were transferred to our Company. The NCLT, Hyderabad, sanctioned and confirmed the Scheme of Amalgamation pursuant to an order dated October 23, 2018, which was effective from November 17, 2018. Further, pursuant to an order dated March 2, 2022 of the NCLT, Hyderabad, the Company amended the Scheme of Amalgamation to give effect to the change in accounting treatment of goodwill due to the change in accounting policies, pursuant to which our Company was required to prepare its books in conformity with Ind As, as prescribed under Section 133 of the Companies Act, as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

Upon coming into effect of this Scheme of Amalgamation and as consideration for the transfer and vesting of the Demerged Undertaking in our Company, 110,000,015 Equity Shares (1,808,345 Equity Shares to C. Parthasarathy, 1,768,324 Equity Shares to Adhiraj Parthasarathy, 1,768,324 Equity Shares to Rajat Parthasarathy, 2,184,400 Equity Shares to C. Parthasarathy – HUF, 29,237,258 Equity Shares to Compar Estates and Agencies Private Limited, 24,377,306 Equity Shares to M. Rajini, 2,187,521 Equity Shares to M. Ahalya, 1,177,496 Equity Shares to M. Gangadhar Rao, 8,643,281 Equity Shares to M. Spandana, 7,607,745 Equity Shares to M. Rushyanth, 5,235,591 Equity Shares to M. Meena and 24,004,424 Equity Shares to Jhansi Sureddi) were issued by our Company to all the equity shareholders of KCL in the ratio of 5,461 Equity Shares for every 210 equity shares of ₹ 10 each held by such equity shareholder in KCL. Further, our Company issued 55,831,414 Equity Shares to GASF. Further, upon the Scheme of Amalgamation becoming effective and upon the above-mentioned issuance of Equity Shares by our Company to the shareholders of KCL, the existing 10,000 Equity Shares held by the shareholders of KCL in our Company stood cancelled and reduced without any consideration.

Certain criminal litigations were initiated against KCPL, which were transferred to our Company, pursuant to

the Scheme of Amalgamation, with effect from November 17, 2018. For details, see “*Outstanding Litigation and Material Developments- Litigation involving our Company*” on page 424.

In this regard, in addition to the Share Subscription Agreement and SHA 2017 (including all supplements and termination thereof), as described in “*-Other agreements*” below, the following agreements were also entered into between *inter alia* our Company and GASF:

- (i) Restated Share Purchase Agreement executed by and amongst GASF, our Company and Compar Estates and Agencies Private Limited, dated August 23, 2017;
- (ii) Restated Share Purchase Agreement executed by and amongst GASF, our Company, M. Gangadhar Rao, M. Spandana, M. Rushyanth and M. Meena, dated August 23, 2017;
- (iii) Restated Share Purchase Agreement executed by and amongst GASF, our Company and Jhansi Sureddi, dated August 23, 2017;
- (iv) Restated Share Purchase Agreement executed by and amongst GASF, our Company, M. Rajini and M. Ahalya, dated August 23, 2017; and
- (v) Share Purchase Agreement executed by and amongst ACN 081 035 752 PTY LTD, our Company and GASF, dated August 3, 2017.

(collectively, the “**GASF Agreements**”)

Under the above agreements it was agreed that, if any monetary penalty is imposed on our Company as a result of any of the criminal litigation proceedings referred to above, then the selling persons under each of the share purchase agreements stated above, are required to indemnify GASF or our Company, as may be directed by GASF, for the amount of the monetary penalty. The claim period for such indemnification is 5 (five) years from the date of closing of the transaction, i.e., November 2018. Therefore, the claim period for the indemnification subsists until November 2023. The maximum liability on any of the sellers with respect to indemnification for any of the above criminal litigation proceedings is the total purchase consideration received by such seller pursuant to the relevant share purchase agreement stated above.

Further, pursuant to the Share Subscription Agreement, GASF acquired 8,993,314 Equity Shares from Compar, 24,377,306 Equity Shares from M. Rajini, 2,187,521 Equity Shares from M. Ahalya, 1,177,496 Equity Shares from M. Gangadhar Rao, 8,643,281 Equity Shares from M. Spandana, 7,607,745 Equity Shares from M. Rushyanth, 5,235,591 Equity Shares from M. Meena and 24,004,424 Equity Shares from Jhansi Sureddi.

Subsequently, on September 24, 2021, our Company received a freezing order, pursuant to which several noticees, including our Company and CP Group (collectively, the “**Noticees**”) were, amongst other things, instructed not to alienate/ sell/ transfer/ create any lien/ liability in respect of KFin Subject Shares, i.e., 2,36,54,680 Equity Shares held by CP Group. In addition to the above, the KFin Subject Shares have are subject to a provisional attachment for 180 days (since March 8, 2022) or until order by the adjudicating authority under section 8(3) of PMLA, pursuant to a provisional attachment order bearing Order no. 6, dated March 8, 2022, issued by the ED with reference to file no. ECIR/HYZO/14/2021 dated May 19, 2021, further to which, these KFin Subject Shares cannot be transferred, disposed, parted with, or otherwise dealt with in any manner, whatsoever, until or unless specifically permitted to do so by the ED.

### **Revaluation of assets**

Our Company has not undertaken any revaluation of assets since its incorporation.

### **Significant Financial and/or strategic partners**

Our Company does not have any financial and / or strategic partners as on the date of this Red Herring Prospectus.

### **Inter-se Arrangements**

Other than as disclosed in this Red Herring Prospectus, there are no other inter-se agreements/ arrangements and clauses / covenants which are material and which needs to be disclosed and that there are no other clauses / covenants which are adverse / pre- judicial to the interest of the minority / public shareholders.



## Details of shareholders' agreements

Except as disclosed below, our Company does not have any subsisting shareholders' agreements among our Shareholders *vis-a-vis* our Company:

***Shareholders' agreement dated September 19, 2021 amongst General Atlantic Singapore Fund Pte. Ltd. and General Atlantic Singapore KFT Pte. Ltd (collectively referred to as "GA"), Kotak Mahindra Bank Limited ("KMBL") and our Company (formerly known as KCPL Advisory Services Private Limited) ("SHA"), and Amendment Agreement dated February 22, 2022 amongst GA, KMBL and our Company ("SHA Amendment Agreement").***

Pursuant to a share subscription agreement dated September 19, 2021 ("SSA"), KMBL, on November 10, 2021, was issued 16,725,100 Equity Shares, for a total consideration aggregating to ₹ 3,099,997,285. Simultaneously with the SSA, GA, KMBL and our Company entered into the SHA whereby GA and KMBL are entitled to certain rights in our Company with effect from November 10, 2021, including:

***Board composition:*** Each of GA and KMBL has the right to nominate up to (i) one director in the event the shareholding of such shareholder (along with its permitted transferees) is at least, the lower of 12,543,825 Equity Shares, or 7.5% of the equity share capital of our Company on a fully diluted basis, but less than 26% of the equity share capital of our Company on a fully diluted basis, (ii) two directors, in the event the shareholding of such shareholder (along with its permitted transferees) is at least 26% but less than 50% of the equity share capital of our Company on a fully diluted basis, (iii) three directors, in the event the shareholding of such shareholder (along with its permitted transferees) is at least 50% of the equity share capital of our Company on a fully diluted basis. Further, each of GA and KMBL can nominate an observer to the Board, for so long as each such shareholder (along with its permitted transferees) holds more than 5% of the equity share capital of our Company on a fully diluted basis.

***Composition of committees:*** Each of GA and KMBL, for so long as their respective shareholding is at least, the lower of 12,543,825 Equity Shares or 7.5% of the equity share capital of our Company on a fully diluted basis, each have the right to nominate up to one director on each of the audit committee and the IPO Committee.

***Quorum for Board meetings:*** The quorum for Board meetings requires the presence of at least one nominee director nominated by each of GA and KMBL.

***Quorum for shareholder meetings:*** The quorum for shareholder meetings of the Company requires the presence of at least one representative of GA and KMBL, subject to a minimum shareholding threshold of at least 4% of the equity share capital of our Company on a fully diluted basis.

***Reserved matters:*** Certain identified matters require prior written affirmative consent (whether such matter is being resolved on at a meeting of the Board or by the Shareholders of our Company) of GA and KMBL, or the nominee director of GA and KMBL subject to a minimum shareholding threshold of at least the lower of 12,543,825 Equity Shares, or 7.5% of the equity share capital of our Company on a fully diluted basis. The matters which require such affirmative consent include, amongst others: (a) making any change in the capital structure of our Company or our Subsidiaries, (ii) incurring or issuing indebtedness in any form by our Company in excess of four times the last 12 months EBITDA of our Company as per the latest audited financial statements, (iii) directly or indirectly acquiring any interest in excess of 5% in any entity or person, or acquire or sell material assets of any entity or person, (iv) incorporating or setting up a subsidiary (not being a wholly owned subsidiary) or divesting any of our Subsidiaries (not being a wholly owned subsidiary), (v) incorporating or setting up or divesting any joint venture, partnership or affiliate company; (vi) amending our Company's AoA or objects clause of the MoA or of a material subsidiary of our Company, (vii) amending the key accounting policies followed by the Company; (viii) making any material change in the nature of the business being undertaken by our Company; (ix) any merger, demerger, consolidation, recapitalisation, arrangement, spin-off, restructuring or other business combination, business division / split, scheme of amalgamation, or similar transaction of / with respect to our Company and/or a material subsidiary of our Company; (x) any decision with respect to the offer price with regard to an initial public offering, which is not a qualified initial public offering

In addition to the above, GA and KMBL have their respective tag along rights, rights of first offer and pre-emptive rights. Further, GA has a right of first offer and drag along right *vis-à-vis* the CP Group and the CP Group has a tag along right in case of any sale by GA.

*SHA Amendment Agreement:* By way of the SHA Amendment Agreement, the parties have agreed to waive certain terms of the SHA including, amongst others, right of first offer, tag along rights, pre-emptive rights, as well as amend other terms, pursuant to and for the purposes of facilitating, the Offer. In terms of the SHA Amendment Agreement, the SHA shall stand automatically terminated and consequently all of the special rights of the Shareholders under the SHA shall terminate on the date on which our Equity Shares are admitted to listing and trading on the Stock Exchange pursuant to the Offer. However, the SHA Amendment Agreement provides that subject to approval of the Shareholders by way of a special resolution, post listing of the Equity Shares,

- (i) GA shall have the right to nominate up to: (a) three Directors, in the event that GASF and/or General Atlantic Singapore KFT Pte. Ltd is, or is to be, the ‘promoter’ (as defined under the SEBI ICDR Regulations) of our Company; (b) two Directors, in the event that neither GASF nor General Atlantic Singapore KFT Pte. Ltd is, nor deemed to be, the ‘promoter’ (as defined under the SEBI ICDR Regulations) of the Company, but holds (together with its Affiliates) at least 26% of the share capital of our Company; and (iii) one Director, in the event that neither GASF nor General Atlantic Singapore KFT Pte. Ltd is, nor deemed to be, the ‘promoter’ (as defined under the SEBI ICDR Regulations) of the Company, but holds (together with its Affiliates) at least 7.5% but less than 26% of the share capital of our Company; and
- (ii) KMBL shall have the right to nominate one Director, in the event KMBL (together with its Affiliates) holds at least 7.5% of the share capital of our Company.

Further, the SHA Amendment Agreement shall continue until the earlier of (a) the SHA Amendment Agreement being terminated by the mutual written agreement of the parties; (b) with regard to any shareholder who is party to the SHA Amendment Agreement, upon such shareholder, either directly or together with their respective affiliates, ceasing to hold any Equity Shares in the Company; or (c) in the event that the Equity Shares of the Company are not admitted to listing and trading on the Stock Exchange(s) pursuant to the IPO within a period of 12 months from the date of which SEBI’s final observations on the Draft Red Herring Prospectus are received by our Company, or such other extended date as mutually agreed to between the parties in writing.

Further, Part A of the Articles of Association of our Company, which includes the provisions of the SHA, shall stand automatically, terminated, deleted and cease to have force and effect from the date of receipt of final listing and trading approvals from the Stock Exchanges on which our Equity Shares are proposed to be listed, and Part B of the Articles of Association of our Company, which includes the above-mentioned Director nomination rights in favour of GA and KMBL that are purported to survive post listing of the Equity Shares, subject to approval of the Shareholders by way of a special resolution, would continue to be in effect from the date of receipt of the above-mentioned final listing and trading approvals. For details, see “*Description of Equity Shares and Terms of the Articles of Association*” on page 486.

#### **Other agreements**

- a) ***Subscription Agreement dated August 3, 2017 by and between GASF, KCPL Advisory Services Private Limited,, Adhiraj Parthasarathy, CP Group., M. Rajini, M. Ahalya, M. Gangadhar Rao, M. Spandana, M. Rushyanth, M. Meena and Jhansi Sureddi (“Share Subscription Agreement”)***

Pursuant to the Share Subscription Agreement, GASF subscribed to an aggregate of 55,831,414 Equity Shares for a consideration of ₹ 4,122,788,028. GASF acquired 8,993,314 Equity Shares from Compar, 24,377,306 Equity Shares from M. Rajini, 2,187,521 Equity Shares from M. Ahalya, 1,177,496 Equity Shares from M. Gangadhar Rao, 8,643,281 Equity Shares from M. Spandana, 7,607,745 Equity Shares from M. Rushyanth, 5,235,591 Equity Shares from M. Meena and 24,004,424 Equity Shares from Jhansi Sureddi. The consideration paid by GASF for subscription to the Equity Shares was to be utilised for acquisition of shares of KCPL from ACN 081 035 752 PTY LTD.

- b) ***Shareholders’ agreement dated August 3, 2017 entered amongst CP Group, Adhiraj Parthasarathy, GASF and the Company (collectively, the “Parties”), supplemental shareholders agreement dated April 3, 2020 entered amongst the Parties (“Supplemental SHA”), amendment agreement dated May 28, 2021 entered amongst the Parties (“Amendment Agreement”) and termination agreement dated May 28, 2021 entered amongst the Parties (“SHA Termination Agreement”).***

The Parties entered into a shareholders agreement dated August 3, 2017 (“SHA 2017”) which became effective in November 2018 upon implementation of the Scheme of Amalgamation and closing of the transactions

contemplated under the GASF Agreements.

Pursuant to the SHA 2017, GASF, CP Group and Adhiraj Parthasarathy had acquired certain special rights in the Company, including but not limited to rights relating to: (i) appointment of the board of directors (“**BOD**”), (ii) constitution of the committees of the BOD, (iii) quorum for meetings of the BOD and of the shareholders, (iv) affirmative votes in respect of certain reserved matters, (v) transfer restrictions, (vi) rights to subscribe to additional equity shares of the Company upon the occurrence of certain identified events (as stipulated in SHA 2017). Further, each of the parties to the SHA 2017 had agreed to indemnify other parties from and against all losses in connection with (i) any inaccuracy, mis-statement or any breach of such indemnifying party’s warranties; or (ii) failure of indemnifying party to fulfil any of its agreement, covenant or conditions stipulated in SHA 2017.

Subsequently, post SEBI’s order dated November 29, 2019 in respect of KSBL involving C. Parthasarathy, as a matter of corporate governance and to separate the Company from the Karvy group and to restrict the CP Group and Adhiraj Parthasarathy from participating in the affairs of the Company, the Supplemental SHA was entered into by and between the Parties, amending certain terms of SHA 2017.

Thereafter, by way of the Amendment Agreement, certain rights which were available by the virtue of the SHA 2017 to C. Parthasarathy, were extended to CP Group and Adhiraj Parthasarathy. Thereafter, vide SHA Termination Agreement, SHA 2017 (as amended pursuant to the Supplemental SHA), was terminated with effect from September 6, 2021.

***c) Subscription agreement (“RPS SSA”) dated May 28, 2021, with Adhiraj Parthasarathy, Rajat Parthasarathy and C. Parthasarathy, for the issuance of non-convertible redeemable preference shares (“RPS”) to Adhiraj Parthasarathy***

The Company, Adhiraj Parthasarathy, Rajat Parthasarathy and C. Parthasarathy has entered into the RPS SSA, for the issuance of RPS to Adhiraj Parthasarathy. Under SHA 2017, 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 RPS were issued by the Company to Adhiraj Parthasarathy in accordance with the terms of the RPS SSA.

***Key terms of the RPS SSA:***

**Redemption premium:** ₹1,340.00 million (subject to deduction of applicable taxes), which takes into consideration a deduction of ₹300,000,000 that has been made towards an indemnity claim made by the Company under the RPS SSA for a specified event. For details, see paragraph B under Emphasis of Matters in the auditor’s report in the section “*Financial Information*” on page 302 of the RHP for further details in this regard.

**Redemption period:** The RPS shall be redeemable on or after October 25, 2023. The Company also has the right, exercisable at its sole option, to buy back these RPS instead of redeeming the same.

**Indemnity Terms:** In addition to the indemnity claim of ₹300.00 million 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.

For further details of the terms of RPS, refer to section titled “*Capital Structure – Notes to the Capital Structure – Share capital history of our Company – (b) History of Preference Share Capital of the Company*” on page 97.

***d) Business Transfer Agreement dated August 7, 2019 between Sundaram BNP Paribas Fund Services Limited and our Company***

Pursuant to business transfer agreement dated August 7, 2019 our Company acquired from Sundaram BNP Paribas Fund Services Limited, on a slump sale basis, its business (including its assets and assumed liabilities) of providing, (i) services of a registrar to an issue and share transfer agent for securities (including mutual fund

units), and back office functions in relation thereto (ii) back office services to alternative investment funds or private equity clients, and (iii) fund accounting services to alternative investment funds or private equity clients, for an aggregate consideration of upto ₹250 million as the initial consideration and balance consideration of ₹50 million, in accordance with the terms and conditions of the agreement. For further details of the consideration paid, see “*Financial Statements*” on page 302.

Our Company has not entered into any other subsisting material agreement, other than in the ordinary course of business. Further, neither our Promoter nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

## OUR SUBSIDIARIES

As on the date of this Red Herring Prospectus, our Company has three Indian Subsidiaries *i.e.*, (i) KFin Services Private Limited, (ii) Hexagram Fintech Private Limited, and (iii) KFin Global Technologies (IFSC) Limited, and three foreign subsidiaries *i.e.*, (i) KFin Technologies (Bahrain) W.L.L., (ii) KFin Technologies (Malaysia) SDN.BHD, and (iii) Hexagram FinTech SDN.BHD.

### SUBSIDIARIES (INDIAN)

#### 1. 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. Its corporate identity number is U72200TG2020PTC138221. Its registered office is situated at Selenium, Tower B, Plot No.31 & 32 Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana – 500032.

#### *Nature of business*

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.

#### *Capital structure*

The authorized share capital of KSPL is ₹ 80,000,000, comprising 8,000,000 equity shares of ₹ 10 each, and its issued, subscribed, and paid-up equity share capital is ₹ 55,100,000, comprising 5,510,000 equity shares of ₹ 10 each.

#### *Shareholding Pattern*

S. No	Name of shareholder	Number of equity shares of face value of ₹ 10 each	% of total equity share capital
1.	KFin Technologies Limited	5,509,994	99.99
2.	Venkata Satya Naga Sreekanth Nadella jointly with KFin Technologies Limited (on behalf of KFin Technologies Limited)	1	Negligible
3.	Vivek Narayan Mathur jointly with KFin Technologies Limited (on behalf of KFin Technologies Limited)	1	Negligible
4.	Suresh Babu Vutukuri jointly with KFin Technologies Limited (on behalf of KFin Technologies Limited)	1	Negligible
5.	Anshul Kumar Jain jointly with KFin Technologies Limited (on behalf of KFin Technologies Limited)	1	Negligible
6.	Sharad Sadani jointly with KFin Technologies Limited (on behalf of KFin Technologies Limited)	1	Negligible
7.	Alpana Uttam Kundu jointly with KFin Technologies Limited (on behalf of KFin Technologies Limited)	1	Negligible
	<b>Total</b>	<b>5,510,000</b>	<b>100.00</b>

#### *Financial Performance*

The brief financial details extracted from KSPL’s audited standalone financial results for the three immediately preceding Fiscals are as follows:

*(₹ in million except per share data)*

	Fiscal 2022	Fiscal 2021*	Fiscal 2020
Equity Capital	5.51	0.10	N.A.
Reserves (Excluding Revaluation Reserve)	(10.66)	(0.31)	N.A.
Sales	-	-	N.A.
Profit/(Loss) after Tax	(10.36)	(0.31)	N.A.

	Fiscal 2022	Fiscal 2021*	Fiscal 2020
Earnings per Share (Basic) (Face Value of ₹10)	(2.17)	(30.60)	N.A.
Earnings per Share (Diluted) (Face Value of ₹10)	(2.17)	(30.60)	N.A.
Net Asset Value	4.44	(0.21)	N.A.

\*Amounts specified for the financial period from January 6, 2020 (the incorporation date of KSPL) to March 31, 2021.

## 2. Hexagram Fintech Private Limited

Hexagram was incorporated on July 15, 2020 as a private limited company with the Registrar of Companies, Karnataka at Bangalore. Its corporate identity number is U72900KA2020PTC135994. Its registered office is situated at No. 1236, M M Plaza, 1<sup>st</sup> Floor, 5<sup>th</sup> Main, 18<sup>th</sup> Cross, Sector VII, HSR Layout, Bangalore, Karnataka -560102. Pursuant to the share purchase agreement dated December 31, 2021, our Company acquired shares of Hexagram w.e.f. February 7, 2022.

### Nature of business

Hexagram is engaged in the business of software development as authorised by its memorandum of association.

### Capital structure

The authorized share capital of Hexagram is ₹ 150,000,000, comprising 150,000,000 equity shares of ₹ 1 each, and its issued, subscribed, and paid-up equity share capital is ₹ 109,900,000, comprising 109,900,000 equity shares of ₹ 1 each.

### Shareholding Pattern

S. No	Name of shareholder	Number of equity shares of face value of ₹ 1 each	% of total equity share capital
1.	KFin Technologies Limited	109,889,994	99.99
2.	Venkata Satya Naga Sreekanth Nadella jointly with KFin Technologies Limited (on behalf of KFin Technologies Limited)	1	Negligible
3.	Vivek Narayan Mathur jointly with KFin Technologies Limited (on behalf of KFin Technologies Limited)	1	Negligible
4.	Suresh Babu Vutukuri jointly with KFin Technologies Limited (on behalf of KFin Technologies Limited)	1	Negligible
5.	Anshul Kumar Jain jointly with KFin Technologies Limited (on behalf of KFin Technologies Limited)	1	Negligible
6.	Sharad Sadani jointly with KFin Technologies Limited (on behalf of KFin Technologies Limited)	1	Negligible
7.	Alpana Uttam Kundu jointly with KFin Technologies Limited (on behalf of KFin Technologies Limited)	1	Negligible
	<b>Total</b>	<b>109,900,000</b>	<b>100.00</b>

### Financial Performance

The brief financial details extracted from Hexagram's audited standalone financial results for the three immediately preceding Fiscals are as follows:

(₹ in million except per share data)

	Fiscal 2022	Fiscal 2021*	Fiscal 2020
Equity Capital	79.90	14.90	N.A.
Reserves (Excluding Revaluation Reserve)	(6.73)	0.23	N.A.
Sales	57.45	13.65	N.A.
Profit/(Loss) after Tax	(76.79)	0.23	N.A.
Earnings per Share (Basic) (Face Value of ₹10)	(0.46)	0.02	N.A.
Earnings per Share (Diluted) (Face Value of Rs.10)	(0.46)	0.02	N.A.
Net Asset Value	73.16	15.13	N.A.

\*Amounts specified for the financial period from July 15, 2020 (the incorporation date of Hexagram) to March 31, 2021.

### 3. 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. Its corporate identity number is U67100GJ2022PLC133312. Its registered office is situated at Co working unit no. 4, office no. 1, Desk 22, Wing 1, Gift Aspire 2, Block 12, Road 1C, Zone 1, GIFT SEZ, Gandhinagar, Gujarat- 382355.

#### *Nature of business*

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.

#### *Capital structure*

The authorized share capital of KGTL is ₹ 5,000,000, comprising 500,000 equity shares of ₹ 10 each. As on the date of this RHP, the subscribed equity share capital of KGTL has not been paid-up by its members and will be paid-up by our Company, on behalf of itself and the joint members, in due course in accordance with applicable law.

#### *Shareholding Pattern*

S. No	Name of shareholder	Number of equity shares of face value of ₹ 10 each	% of total equity share capital
1.	KFin Technologies Limited	499,994	99.99
2.	Vivek Narayan Mathur jointly with KFin Technologies Limited (on behalf of KFin Technologies Limited)	1	Negligible
3.	Anshul Kumar Jain jointly with KFin Technologies Limited (on behalf of KFin Technologies Limited)	1	Negligible
4.	Amit Murarka jointly with KFin Technologies Limited (on behalf of KFin Technologies Limited)	1	Negligible
5.	Sharad Sadani jointly with KFin Technologies Limited (on behalf of KFin Technologies Limited)	1	Negligible
6.	Suresh Babu Vutukuri jointly with KFin Technologies Limited (on behalf of KFin Technologies Limited)	1	Negligible
7.	Alpana Uttam Kundu jointly with KFin Technologies Limited (on behalf of KFin Technologies Limited)	1	Negligible
	<b>Total</b>	<b>500,000</b>	<b>100.00</b>

#### *Financial Performance*

KGTL was incorporated in Fiscal 2023 (on June, 28 2022) and accordingly there is no financial information for the immediately preceding three Fiscals, i.e., Fiscals ended March 31, 2022, March 31, 2021 and March 31, 2020.

### **SUBSIDIARIES (FOREIGN)**

#### **1. 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. Its corporate identity number is 39984-1. Its registered office is situated at Office No. 74, 7<sup>th</sup> Floor, Al-Zamil Tower, Building 31, Road 383, Block 305, P.O. Box 514 Manama, Kingdom of Bahrain. The name of the company was changed from Karvy Fintech (Bahrain) WLL to KFin Technologies (Bahrain) W.L.L. pursuant to a commercial registration certificate dated January 27, 2022. KFin Bahrain was acquired by Karvy Computershare Private Limited pursuant to an acquisition agreement dated June 20, 2011. Pursuant to the Scheme of Amalgamation, our Company acquired

shares of KFin Bahrain.

#### *Nature of Business*

KFin Bahrain is engaged in the business of other activities auxiliary to financial service activities i.e fund administrator, as authorised by our charter documents.

#### *Capital Structure*

The authorized share capital of KFin Bahrain is Bahraini Dinar (“**BD**”) 40,000, comprising 800 shares of BD 50 each, and its issued and paid-up share capital is BD 40,000, comprising 800 shares of BD 50 each.

#### *Shareholding Pattern*

S. No.	Name of the shareholder	No. of shares	% of total share capital
1.	KFin Technologies Limited	799	99.88
2.	Srinivas Sudheer Venkatapuram (on behalf of KFin Technologies Limited)	1	0.12
	<b>Total</b>	<b>800</b>	<b>100.00</b>

#### *Financial Performance*

The brief financial details extracted from the KFin Bahrain’s audited standalone financial results for the three immediately preceding Fiscals are as follows:

*(All amounts are in BHD)*

	Fiscal 2022	Fiscal 2021	Fiscal 2020
Equity Capital	40,000	40,000	40,000
Reserves (Excluding Revaluation Reserve)	135,564	285,330	216,752
Sales	164,394	212,732	237,136
Profit/(Loss) after Tax	5,234	68,578	4,065
Earnings per Share (Basic)	NA	NA	NA
Earnings per Share (Diluted)	NA	NA	NA
Net Asset Value	175,564	325,330	256,752

## **2. KFin Technologies (Malaysia) SDN. BHD. (KFin Malaysia)**

KFin Malaysia was incorporated as a private company under the laws of Malaysia on March 8, 2016. Its corporate identity number is 201601007727(1178655-U). Its registered office is situated at Level 25, Menara Hong Leong, No. 6, Jalan Damansara, Bukit Damansara, Kuala Lumpur – 50490. The name of the company was changed from Karvy Fintech (Malaysia) SDN. BHD. to KFin Technologies (Malaysia) SDN. BHD. pursuant to a certificate of incorporation on change of name of company dated June 3, 2020. Pursuant to the Scheme of Amalgamation, our Company acquired shares of KFin Malaysia.

#### *Nature of Business*

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.

#### *Capital Structure*

The authorized share capital of KFin Malaysia is Ringgit Malaysia (“**MYR**”) 1,000,000, comprising 1,000,000 shares of MYR 1.00 each, and its issued and paid-up share capital is MYR 1,000,000, comprising 1,000,000 shares of MYR 1.00 each.

#### *Shareholding Pattern*

S. No.	Name of the shareholder	No. of equity shares	% of total equity share capital
1.	KFin Technologies Limited	999,999	99.99



S. No.	Name of the shareholder	No. of equity shares	% of total equity share capital
2.	Venkata Satya Naga Sreekanth Nadella (on behalf of KFin Technologies Limited)	1	0.01
	<b>Total</b>	<b>1,000,000</b>	<b>100.00</b>

### Financial Performance

The brief financial details extracted from the KFin Malaysia's audited standalone financial results for the three immediately preceding financial years are as follows:

(All amount are in MYR)

	Fiscal 2022	Fiscal 2021	Fiscal 2020
Equity Capital	1,000,000	1,000,000	1,000,000
Reserves (Excluding Revaluation Reserve)	1,329,686	959,457	448,084
Sales	11,422,120	9,038,148	6,583,003
Profit/(Loss) after Tax	370,229	511,373	361,934
Earnings per Share (Basic)	NA	NA	NA
Earnings per Share (Diluted)	NA	NA	NA
Net Asset Value	2,329,686	1,959,457	1,448,084

### 3. Hexagram FinTech SDN. BHD. (Hexagram Malaysia)

Hexagram Malaysia was incorporated as a private company under the laws of Malaysia on October 19, 2016. Its corporate identity number is 201601034927(1205868-U). The name of Hexagram Malaysia was changed from 'Hexagon Global IT Solutions SDN. BHD.' to Hexagram Fintech SDN. BHD., pursuant to a certificate of incorporation on change of name of company dated August 4, 2021. Its registered office is situated at Suite 13.03, 13<sup>th</sup> Floor, Menara Tan & Tan, 207, Jalan Dun Razak, Kuala Lumpur - 50400. Pursuant to the share purchase agreement dated December 31, 2021, our Company indirectly acquired shares of Hexagram Malaysia w.e.f. February 7, 2022.

#### Nature of Business

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

#### Capital Structure

The equity share capital of Hexagram Malaysia is Ringgit Malaysia (MYR) 539,792 comprising 539,792 shares of MYR 1.00 each, and its issued and paid-up share capital is MYR 539,792 comprising 539,792 shares of MYR 1.00 each.

#### Shareholding Pattern

S. No.	Name of the shareholder	No. of shares	% of total share capital
1.	Hexagram Fintech Private Limited	539,792	100.00
	<b>Total</b>	<b>539,792</b>	<b>100.00</b>

### Financial Performance

The brief financial details extracted from the Hexagram Malaysia's audited standalone financial results for the three immediately preceding financial years are as follows:

(All amounts are in MYR)

	Fiscal 2022	Fiscal 2021	Fiscal 2020
Equity Capital	539,792	539,792	539,792
Reserves (Excluding Revaluation Reserve)	29,808	272,448	(362,466)
Sales	1,519,611	2,855,639	1,623,590
Profit/(Loss) after Tax	(242,640)	634,914	90,449

	<b>Fiscal 2022</b>	<b>Fiscal 2021</b>	<b>Fiscal 2020</b>
Earnings per Share (Basic)	NA	NA	NA
Earnings per Share (Diluted)	NA	NA	NA
Net Asset Value	569,600	812,240	177,326

***Amount of accumulated profits or losses***

There are no accumulated profits or losses of our Subsidiaries, which are not accounted for by our Company.

***Common Pursuits***

Our Subsidiaries have common pursuits similar to that of our Company. Our Company and our Subsidiaries will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise. For risks relating to the same, please refer to “*Risk Factors*” at page 30.

For details of related business transactions between our Company and our Subsidiaries, see “*Related Party Transactions*” on page 388.

***Business interest between our Company and our Subsidiaries***

Except as stated in “*Our Business*” and “*Related Party Transactions*” on pages 220 and 388, respectively, none of our Subsidiaries have any business interest in our Company.

***Other Confirmations***

None of our Subsidiaries are listed on any stock exchange in India or abroad. Further, neither have any of our Subsidiaries been refused listing in the last ten years by any stock exchange in India or abroad, nor have any of our Subsidiaries failed to meet the listing requirements of any stock exchange in India or abroad.

## OUR MANAGEMENT

The composition of our Board is governed by the provisions of the Companies Act, 2013 and our Articles of Association. In terms of our Articles of Association, our Company is required to have up to 15 directors.

As on date of this Red Herring Prospectus, our Board comprises nine Directors, of which one is an Executive Director, five are Non-executive Directors, and three are Independent Directors (one of whom is a woman director). Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution and composition of the committees of our Board.

The following table sets forth details of our Board as on the date of this Red Herring Prospectus:

Name, designation, date of birth, address, occupation, current term, period of directorship, nationality and DIN	Age (years)	Other directorships
<p><b>Vishwanathan Mavila Nair</b></p> <p><i>Designation:</i> Chairman and Non-executive Director</p> <p><i>Date of Birth:</i> March 3, 1952</p> <p><i>Address:</i> 1902, A- Tower, Vivarea, Sane Guruji Marg, Jacob Circle, Mahalaxmi, Mumbai, Maharashtra 400 011</p> <p><i>Occupation:</i> Business</p> <p><i>Current term:</i> Four years with effect from October 1, 2021</p> <p><i>Period of Directorship:</i> Director since November 22, 2018</p> <p><i>Nationality:</i> Indian</p> <p><i>DIN:</i> 02284165</p>	70	<p><u>Indian Companies:</u></p> <ul style="list-style-type: none"> <li>• BQ Padmavathy Finance Academy Private Limited (under voluntary liquidation)</li> <li>• BQ Digital Learning Private Limited</li> <li>• Bankers Quotient Learning Solutions Private Limited</li> <li>• Gift SEZ Limited</li> <li>• Transunion CIBIL Limited</li> </ul> <p><u>Foreign Companies:</u></p> <p>Nil</p>
<p><b>Venkata Satya Naga Sreekanth Nadella</b></p> <p><i>Designation:</i> Managing Director and Chief Executive Officer</p> <p><i>Date of Birth:</i> November 7, 1978</p> <p><i>Address:</i> Plot no. 273/1. Road no. 25, Jubilee Hills, Greater Hyderabad, Hyderabad, Telangana 500 033</p> <p><i>Occupation:</i> Service</p> <p><i>Current term:</i> Five years with effect from June 6, 2022</p> <p><i>Period of Directorship:</i> Director since June 12, 2020</p> <p><i>Nationality:</i> Indian</p> <p><i>DIN:</i> 08659728</p>	44	<p><u>Indian Companies:</u></p> <ul style="list-style-type: none"> <li>• KFin Services Private Limited</li> <li>• KFin Global Technologies (IFSC) Limited</li> <li>• Hexagram Fintech Private Limited</li> </ul> <p><u>Foreign Companies:</u></p> <ul style="list-style-type: none"> <li>• KFin Technologies (Malaysia) Sendirian Berhad</li> <li>• KFin Technologies (Baharin) WLL</li> </ul>
<p><b>Sandeep Achyut Naik</b> (Nominee of the Promoter Selling Shareholder)</p> <p><i>Designation:</i> Non-executive Nominee Director</p> <p><i>Date of Birth:</i> October 29, 1972</p> <p><i>Address:</i> 40 Nassim Hill #10-40 Nassim Mansion Singapore 258474</p> <p><i>Occupation:</i> Professional</p>	50	<p><u>Indian Companies:</u></p> <ul style="list-style-type: none"> <li>• General Atlantic Private Limited</li> <li>• Indiaideas Com Limited</li> <li>• Rubicon Research Private Limited</li> </ul> <p><u>Foreign Companies:</u></p> <ul style="list-style-type: none"> <li>• The Wharton School of the University of Pennsylvania</li> <li>• General Atlantic Service Company LP</li> </ul>

Name, designation, date of birth, address, occupation, current term, period of directorship, nationality and DIN	Age (years)	Other directorships
<p><i>Current term:</i> Liable to retire by rotation</p> <p><i>Period of Directorship:</i> Director since November 16, 2018</p> <p><i>Nationality:</i> USA</p> <p><i>DIN:</i> 02057989</p>		<ul style="list-style-type: none"> <li>• General Atlantic LLC</li> <li>• GAP (Bermuda) Ltd</li> <li>• General Atlantic Singapore Fund Management Pte</li> <li>• Mable Technologies Pty Ltd</li> <li>• Kumu Holdings Pte Ltd</li> </ul>
<p><b>Shantanu Rastogi</b> (Nominee of the Promoter Selling Shareholder)</p> <p><i>Designation:</i> Non-executive Nominee Director</p> <p><i>Date of Birth:</i> March 26, 1979</p> <p><i>Address:</i> Beau Monde B, Flat no. 2101, 21<sup>st</sup> floor, New Prabhadevi, Mumbai, Maharashtra 400 025</p> <p><i>Occupation:</i> Professional</p> <p><i>Current term:</i> Liable to retire by rotation</p> <p><i>Period of Directorship:</i> Director since November 16, 2018</p> <p><i>Nationality:</i> Indian</p> <p><i>DIN:</i> 06732021</p>	43	<p><u>Indian Companies:</u></p> <ul style="list-style-type: none"> <li>• House of Anita Dongre Private Limited</li> <li>• Capital Foods Private Limited</li> <li>• Rubicon Research Private Limited</li> <li>• NoBroker Technologies Solutions Private Limited</li> <li>• Sorting Hat Technologies Private Limited</li> <li>• IIT Bombay Development and Relations Foundation</li> <li>• Krishna Institute of Medical Sciences Limited</li> <li>• TNC – The Nature Conservancy Centre</li> <li>• Acko Technology &amp; Services Private Limited</li> <li>• ASG Hospital Private Limited</li> <li>• Amagi Media Labs Private Limited</li> </ul> <p><u>Foreign Companies:</u></p> <p>Nil</p>
<p><b>Srinivas Peddada</b> (Nominee of the Promoter Selling Shareholder)</p> <p><i>Designation:</i> Non-executive Director</p> <p><i>Date of Birth:</i> July 1, 1967</p> <p><i>Address:</i> 2B 200 Ludha Belleza, KPHG Colony, Kukatpally, Medchalmalkagiri, Hyderabad, Telangana – 500072</p> <p><i>Occupation:</i> Professional</p> <p><i>Current term:</i> Liable to retire by rotation</p> <p><i>Period of Directorship:</i> Director since July 7, 2020</p> <p><i>Nationality:</i> USA</p> <p><i>DIN:</i> 08755240</p>	55	<p><u>Indian Companies:</u></p> <p>Nil</p> <p><u>Foreign Companies:</u></p> <p>Nil</p>
<p><b>Jaideep Hansraj</b> (Nominee of KMBL)</p> <p><i>Designation:</i> Non-executive Nominee Director</p> <p><i>Date of Birth:</i> July 14, 1965</p> <p><i>Address:</i> 101, Mount Pleasant, 586 A, Lady Jehangir Road, 5 Gardens, Matunga East, Mumbai, Maharashtra 400 019</p> <p><i>Occupation:</i> Service</p>	57	<p><u>Indian Companies:</u></p> <ul style="list-style-type: none"> <li>• Kotak Securities Limited</li> <li>• Anukriya Foundation</li> </ul> <p><u>Foreign Companies:</u></p> <ul style="list-style-type: none"> <li>• Kotak Mahindra Financial Services Limited (registered with Abu Dhabi Global Markets)</li> </ul>

Name, designation, date of birth, address, occupation, current term, period of directorship, nationality and DIN	Age (years)	Other directorships
<p><i>Current term:</i> Liable to retire by rotation</p> <p><i>Period of Directorship:</i> Director since November 10, 2021</p> <p><i>Nationality:</i> Indian</p> <p><i>DIN:</i> 02234625</p>		
<p><b>Prashant Saran</b></p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of Birth:</i> June 24, 1951</p> <p><i>Address:</i> 7139, Sector B 10, Vasant Kunj, South West Delhi, Delhi 110 070</p> <p><i>Occupation:</i> Retired</p> <p><i>Current term:</i> Five years with effect from May 26, 2020</p> <p><i>Period of Directorship:</i> Director since May 26, 2020</p> <p><i>Nationality:</i> Indian</p> <p><i>DIN:</i> 08747512</p>	71	<p><u>Indian Companies:</u></p> <ul style="list-style-type: none"> <li>• Nextbillion Technology Private Limited</li> </ul> <p><u>Foreign Companies:</u></p> <p>Nil</p>
<p><b>Sonu Halan Bhasin</b></p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of Birth:</i> September 28, 1963</p> <p><i>Address:</i> House No. 4/4, Sarvapriya Vihar, Hauz Khas, New Delhi- 110016</p> <p><i>Occupation:</i> Professional</p> <p><i>Current term:</i> Five years with effect from November 16, 2018</p> <p><i>Period of Directorship:</i> Director since November 16, 2018</p> <p><i>Nationality:</i> Indian</p> <p><i>DIN:</i> 02872234</p>	59	<p><u>Indian Companies:</u></p> <ul style="list-style-type: none"> <li>• Whirlpool of India Limited</li> <li>• Sutlej Textiles and Industries Limited</li> <li>• Berger Paints India Limited</li> <li>• Indus Towers Limited</li> <li>• PNB Metlife India Insurance Company Limited</li> <li>• Max Life Pension Fund Management Limited</li> <li>• Multi Commodity Exchange of India Limited</li> </ul> <p><u>Foreign Companies:</u></p> <p>Nil</p>
<p><b>Kaushik Mazumdar</b></p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of Birth:</i> July 8, 1964</p> <p><i>Address:</i> 701, Ann Abode, St. Martin Road, Hill Road Police Station, Bandra West, Mumbai, Maharashtra 400 050</p> <p><i>Occupation:</i> Professional</p> <p><i>Current term:</i> Five years from November 16, 2018, not liable to retire by rotation</p> <p><i>Period of Directorship:</i> Director since November 16, 2018</p> <p><i>Nationality:</i> Indian</p>	58	<p><u>Indian Companies:</u></p> <ul style="list-style-type: none"> <li>• Svakarma Finance Private Limited</li> <li>• Teamred Management Solutions Private Limited</li> </ul> <p><u>Foreign Companies:</u></p> <p>Nil</p>

Name, designation, date of birth, address, occupation, current term, period of directorship, nationality and DIN	Age (years)	Other directorships
DIN: 00397815		

### Brief profiles of our Directors

**Vishwanathan Mavila Nair** is the Chairman 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 and advising fintech start-ups. He has previously served as the non-executive chairman of SWIFT India Domestic Services Private Limited, an independent director on the board of directors of 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 also an advisor to the board of directors of Kuliza Technologies Private Limited, 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 chairperson of the board of directors and an advisor to Transunion CIBIL Limited and a non-executive chairperson of the board of directors of BQ Digital Learning Private Limited. He has also served at various positions at Union Bank of India, Dena Bank and Corporation Bank for over 38 years. 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.

**Venkata Satya Naga Sreekanth Nadella** 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.

**Sandeep Achyut Naik** 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 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.

**Shantanu Rastogi** 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.

**Srinivas Peddada** 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 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).

**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 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.

**Prashant Saran** 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.

**Sonu Halan Bhasin** 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.

**Kaushik Mazumdar** 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.

### **Confirmations**

None of our Directors is or was, during the last five years preceding the date of this Red Herring Prospectus, a director of any listed company, which shares have been or were suspended from trading on the stock exchanges during their tenure as a director in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange, during their tenure as a director in such company.

### **Relationship between our Directors and Key Managerial Personnel**

None of our Directors are related to each other or to any of our Key Managerial Personnel.

### **Arrangement or understanding with major Shareholders, customers, suppliers or others for appointment of Directors on our Board**

Except for (i) Sandeep Achyut Naik, Shantanu Rastogi and Srinivas Peddada, who are nominees of GASF, and (ii) Jaideep Hansraj, who is a nominee of KMBL, and Shailesh Rathi, who is an observer of KMBL on the Board of Directors of our Company appointed pursuant to the SHA, none of our Directors have been appointed or selected pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others. In terms of the SHA Amendment Agreement, the right of KMBL to appoint an observer on the Board shall terminate on the date on which the Equity Shares of our Company are admitted to listing and trading on the

Stock Exchange pursuant to the Offer.

### Service contracts with Directors

Our Company has not entered into any service contracts with any Director, which provide for benefits upon termination of employment.

### Borrowing Powers

In accordance with the Articles of Association and subject to the provisions of the Companies Act, 2013 our Board is authorized, pursuant to a special resolution of the shareholders of our Company dated August 2, 2017, to borrow money (apart from temporary loans obtained in the ordinary course of the business), in excess of the aggregate of the paid-up capital and free reserves of the Company, provided that the total borrowings shall not at any time exceed ₹ 4,300 millions over and above the aggregate of the paid up capital and free reserves of the Company.

### Terms of appointment of Executive Director

Venkata Satya Naga Sreekanth Nadella has been appointed as our Managing Director of the Company since June 6, 2022, for a term of 5 years. The Shareholders have approved his appointment and remuneration pursuant to a resolution dated August 4, 2022. In accordance with the shareholder's resolution dated August 4, 2022, the details of remuneration governing his appointment are stated below:

Particulars	Remuneration
Salary, allowances and perquisites	₹40 million per annum (₹28 million as fixed compensation and ₹12 million as the target variable compensation)
Other benefits	Employee Stock Options not exceeding the limited prescribed under KFin ESOP Plan 2020 or any other plan/scheme as may be approved by the Board from time to time and perquisite value arising out of such stock options (already granted or as may be granted from time to time) Increments, additional bonus, etc. as agreed by the Board/Committee; Medical reimbursements, provident fund, national pension scheme, superannuation or annuity fund, gratuity, encashment of leave; and Reimbursement of all the expenses incurred by him on behalf of the Company.

The remuneration payable to Venkata Satya Naga Sreekanth Nadella, our Managing Director and CEO for the Financial Year 2022 was as follows:

Particulars	Remuneration (in ₹ million)
Salary	35.07*#
Other Benefits	Nil

\*This includes the performance-based incentive of ₹ 3.35 million accrued in FY 2021, which has been paid in FY 2022 and the performance-based incentive of ₹ 9.00 million accrued in FY 2022, which is payable in FY 2023.

### Sitting fees and commission to Non – Executive Directors and Independent Directors:

Pursuant to a Board resolution dated March 2, 2022 and shareholder's resolution dated March 24, 2022, Vishwanathan Mavila Nair, Srinivas Peddada and all Independent Directors are entitled to receive as follows:

Vishwanathan Mavila Nair, the Chairman and Non-Executive Director of the Company, is entitled of an amount not exceeding ₹ 15 million per annum by way of commission or otherwise and employee stock options not exceeding the limited prescribed under KFin ESOP Plan 2020 or any other plan/scheme as may be approved by the Board from time to time and perquisite value arising out of such stock options (already granted or as may be granted from time to time) and other remuneration which may be in excess of one percent of the net profit of the Company computed in accordance with the provisions under section 198 of the Companies Act, in addition to, the sitting fees and reimbursement of expenses, if any, paid for attending the board and committee meetings.

Srinivas Peddada, the Non-executive Director of the Company, is entitled of employee stock options not exceeding the limited prescribed under KFin ESOP Plan 2020 or any other plan/scheme as may be approved by the Board from time to time and perquisite value arising out of such stock options (already granted or as may be granted from time to time) and other remuneration which may be in excess of one percent of the net profit of the



Company computed in accordance with the provisions under Section 198 of the Companies Act, in addition to, the sitting fees and reimbursement of expenses, if any, paid for attending the board and committee meetings.

All the Independent Directors of the Company are entitled of an amount not exceeding ₹ 3 million per annum by way of commission or otherwise, in addition to, the sitting fees and reimbursement of expenses, if any, paid for attending the board and committee meetings, which may be in excess of one percent of the net profit of the Company computed in accordance with the provisions under Section 198 of the Companies Act.

Except as disclosed below, our Company has not paid any sitting fees or commission to its Non-Executive Directors and Independent Directors in Financial Year 2022:

S. No.	Name of Non-Executive Directors / Independent Directors	Sitting Fees (in ₹ million)	Commission (in ₹ million)	Total Remuneration (in ₹ million)
1.	Prashant Saran	-	2.40	2.40
2.	Sonu Halan Bhasin	-	2.25	2.25
3.	Kaushik Mazumdar	-	2.40	2.40
4.	Vishwanathan Mavila Nair	-	7.50	7.50

Our Company has not paid any remuneration to our Non-Executive Nominee Directors in Financial Year 2022.

#### Remuneration paid or payable to our Directors by our Subsidiaries

Our Directors have not been paid any remuneration in Financial Year 2022 by our Subsidiaries, including contingent or deferred compensation for Financial Year 2022.

#### Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold qualification shares.

Except as disclosed below, none of the Directors hold any Equity Shares of the Company as on date of this Red Herring Prospectus:

S. No.	Name of the Director	No. of Equity Shares	Percentage of the pre-Offer equity share capital (%)
1.	Vishwanathan Mavila Nair	50*	Negligible
2.	Venkata Satya Naga Sreekanth Nadella	50*	Negligible
3.	Srinivas Peddada	50*	Negligible

\*For details in relation to granted and vested stock options issued to the Directors, please refer "Capital Structure - Employee Stock Options Schemes" on page 106.

#### Bonus or profit-sharing plan for our Directors

None of the Directors are a party to any bonus or profit sharing plan by the Company.

#### Interest of Directors

Our Directors may be deemed to be interested to the extent of remuneration and sitting fees payable, as applicable, to them for attending meetings of our Board or committees thereof as well as to the extent of reimbursement of expenses (if applicable), and dividend and other distributions in respect of their Equity Shares. Further, our Managing Director and CEO is interested to the extent of his directorship on the board of directors of the Subsidiaries, shareholding in the Subsidiaries and dividend and other distributions in respect of these shareholdings.

Except for Sandeep Achyut Naik, Shantanu Rastogi and Srinivas Peddada, who are nominees of GASF, none of our Directors are interested in the promotion or formation of our Company.

Our Directors do not have any interest in any property acquired or proposed to be acquired of or by our Company.

Our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery since incorporation.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce them to become or to help any of them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Except in the ordinary course of business of our Company and as disclosed in “*Related Party Transactions*” on page 388, our Directors do not have any other business interest in our Company.

### Changes to our Board in last three years

Except as disclosed below, there have been no changes to our Board in last three years:

Name of the Director	Date of appointment/ change in designation/ cessation	Reason for Change
Venkata Satya Naga Sreekanth Nadella	June 6, 2022	Change in designation to Managing Director and Chief Executive Officer
Jaideep Hansraj	November 22, 2021	Change in designation to Non-executive Nominee Director
Jaideep Hansraj	November 10, 2021	Appointment as Additional Non-executive Director
Vishwanathan Mavila Nair	October 1, 2021	Change in designation to Non-Executive Director
Srinivas Peddada	September 30, 2021	Change in designation to Non-Executive Director
Srinivas Peddada	July 7, 2020	Appointment as Additional Non-executive Director
Srinivas Peddada	July 6, 2020	Cessation as Additional Director due to end of term of directorship
Prashant Saran	July 6, 2020	Change in designation to Independent Director
Srinivas Peddada	July 2, 2020	Appointment as Additional Non-executive Director
Vishesh Tayal	July 1, 2020	Resignation as Director due to personal reasons
Venkata Satya Naga Sreekanth Nadella	June 12, 2020	Appointment as Whole Time Director and Chief Executive Officer
Ganesh Venkatachalam	June 12, 2020	Resignation as Managing Director and Chief Executive Officer in pursuit of other opportunities
Prashant Saran	May 26, 2020	Appointment as Additional Independent Director
Vishesh Tayal	March 24, 2020	Appointment as Additional Non-executive Director
Rajat Sood	March 16, 2020	Resignation as Nominee Director due to personal reasons

### Corporate Governance

The provisions of the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations and the Companies Act. The corporate governance framework of our Company is based on an effective independent Board, separation of the Board’s supervisory role from the executive management team and constitution of the Board committees, each as required under law.

#### Committees of our Board

##### i) Audit Committee

The audit committee was constituted by a resolution of our Board through circulation dated February 5, 2019 and was last reconstituted on March 24, 2022. The current constitution of this committee is as follows:

Name of Director	Position in the committee
Kaushik Mazumdar	Chairperson
Shantanu Rastogi	Member
Sonu Halan Bhasin	Member

Name of Director	Position in the committee
Prashant Saran	Member

The scope and function of the audit committee and its terms of reference are as follows:

1. The Audit Committee shall have powers, which should include the following:
  - a. To investigate any activity within its terms of reference;
  - b. To seek information from any employee of the Company;
  - c. To obtain outside legal or other professional advice;
  - d. To secure attendance of outsiders with relevant expertise if it considers necessary; and
  - e. Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.
  
2. The role of the Audit Committee shall include the following:
  - a. 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;
  - b. Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;
  - c. Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
  - d. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
    - ii. Changes, if any, in accounting policies and practices and reasons for the same;
    - iii. Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
    - iv. Significant adjustments made in the financial statements arising out of audit findings;
    - v. Compliance with listing and other legal requirements relating to financial statements;
    - vi. Disclosure of any related party transactions; and
    - vii. Qualifications / modified opinion(s) in the draft audit report.
  - e. Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the board for approval;
  - f. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the issue document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - g. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - h. Formulating a policy on related party transactions, which shall include materiality of related party transactions;
  - i. Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
  - j. Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
  - k. Scrutiny of inter-corporate loans and investments;
  - l. Valuation of undertakings or assets of the company, wherever it is necessary;
  - m. Evaluation of internal financial controls and risk management systems;
  - n. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - o. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - p. Discussion with internal auditors of any significant findings and follow up there on;

- q. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- r. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- s. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- t. Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- u. Reviewing the functioning of the whistle blower mechanism;
- v. Approval of the appointment of the Chief Financial Officer of the Company (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
- w. Carrying out any other functions as provided under the provisions of the Companies Act, the SEBI Listing Regulations and other applicable laws;
- x. To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;
- y. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- z. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- aa. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- bb. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation *etc.*, on the listed entity and its shareholders; and
- cc. Such roles as may be prescribed under the Companies Act and SEBI Listing Regulations.

3. The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;
- c. Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;
- d. Internal audit reports relating to internal control weaknesses;
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- f. Statement of deviations:
  - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
  - ii. annual statement of funds utilised for purposes other than those stated in the issue document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations; and
- g. Review the financial statements, in particular, the investments made by any unlisted subsidiary.

ii) *Nomination and Remuneration Committee*

The Nomination and Remuneration Committee was originally constituted by a resolution of the Board through circulation dated February 5, 2019 and the terms of reference of the committee was amended on March 24, 2022. Our Nomination Remuneration Committee currently comprises the following Directors:

Name of Director	Position in the committee
Sonu Halan Bhasin	Chairman
Kaushik Mazumdar	Member
Sandeep Achyut Naik	Member

The scope and function of the Nomination and Remuneration Committee and its terms of reference are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

The NRC, while formulating the above policy, should ensure that:

- a. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to directors, key managerial personnel and senior management 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.
2. For every appointment of an independent director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the NRC may:
    - a. use the services of an external agencies, if required;
    - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
    - c. consider the time commitments of the candidates.
  3. Formulation of criteria for evaluation of performance of independent directors and the Board;
  4. Devising a policy on Board diversity;
  5. Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
  6. Analysing, monitoring and reviewing various human resource and compensation matters;
  7. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
  8. Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary);
  9. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
  10. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
  11. Perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  12. Construing and interpreting the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan (“**ESOP Scheme**”) and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;
  13. Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

- a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
- b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended,

by the Company and its employees, as applicable;

14. Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the NRC.

15. Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

*iii) Stakeholder Relationship Committee*

The Stakeholder Relationship Committee is constituted by a resolution of the Board at its meeting held on March 24, 2022. Our Stakeholder Relationship Committee currently comprises the following Directors:

<b>Name of Director</b>	<b>Position in the committee</b>
Prashant Saran	Chairperson
Vishwanathan Mavila Nair	Member
Venkata Satya Naga Sreekanth Nadella	Member

The scope and function of Stakeholders' Relationship Committee and its terms of reference include the following:

1. 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 and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., and assisting with quarterly reporting of such complaints;
2. Reviewing of measures taken for effective exercise of voting rights by shareholders;
3. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
4. Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
5. Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
6. Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of our Company and to recommend measures for overall improvement in the quality of investor services; and
7. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority

*iv) Corporate Social Responsibility Committee*

The Corporate Social Responsibility committee was constituted by a resolution of our Board through circulation dated February 5, 2019 and was last reconstituted on December 6, 2020. The current constitution of this committee is as follows:

<b>Name of Director</b>	<b>Position in the committee</b>
Sonu Halan Bhasin	Chairman
Prashant Saran	Member
Sandeep Achyut Naik	Member

The terms of reference of the Corporate Social Responsibility committee are as follows:

1. The CSR Committee should meet as and when required. The quorum shall be either two members or one third of the members of the Committee whichever is greater;
2. Formal notice of the CSR Committee's meetings shall be provided as may be required by applicable statutory provisions and the Chairman / Company Secretary will ensure that all members and invitees authorized by the Committee or the Board are advised of the date / time and venue of the meetings in advance;
3. The CSR Committee shall have the following powers:
  - a. To investigate any matter within its terms of reference or referred to it by the Board;
  - b. To seek information from any employee;
  - c. To obtain outside legal or other professional advice; and
  - d. To secure attendance of outsiders with relevant expertise, if it considers necessary;
4. The role of the CSR Committee shall include the following:
  - a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII of the Companies Act, 2013;
  - b. Recommend the amount of CSR expenditure to be incurred on the activities referred to in clause (i) above;
  - c. Monitor the Corporate Social Responsibility Policy of the company from time to time including monitoring the progress of projects or programmes against which CSR expenditure is contributed;
  - d. Ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the Company;
  - e. Give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

v) *Risk Management Committee*

The Risk Management Committee was constituted by a resolution of our Board dated March 24, 2022 and was last re-constituted by a resolution of our Board dated August 17, 2022. The current constitution of this committee is as follows:

Name of Director	Position in the Committee
Prashant Saran	Chairperson
Kaushik Mazumdar	Member
Venkata Satya Naga Sreekanth Nadella	Member

The following are the terms of reference of the Risk Management Committee:

1. To formulate a detailed risk management policy, which shall include:
  - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks; and
  - c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee

vi) *IPO Committee*

The IPO Committee was constituted by a resolution of our Board through circulation dated November 15, 2021. The current constitution of this committee is as follows:

<b>Name of Director</b>	<b>Position in the Committee</b>
Shantanu Rastogi	Chairperson
Jaideep Hansraj	Member
Venkata Satya Naga Sreekanth Nadella	Member
Alok Misra	Permanent Invitee
Vivek Narayan Mathur	Permanent Invitee

The following are the terms of reference of the IPO Committee:

1. To decide, 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 (including any reservation, green shoe option and any rounding off in the event of oversubscription) price and any discount allowed under Applicable Laws that may be fixed and determined in accordance with the Applicable Laws, and to accept any amendments, modifications, variations, or alterations thereto;
2. To finalise and amend the terms of participation by the selling shareholders in the IPO for Sale, including to allow revisions in the Offer for Sale portion, in accordance with Applicable Laws;
3. To decide, negotiate and finalize, in consultation with the merchant bankers to the IPO, all matters regarding any pre-IPO placement, including entering into discussions and execution of all relevant documents with investors;
4. To make applications to seek clarifications and obtain approvals from, where necessary or appropriate, the SEBI, RBI and any other governmental or statutory/regulatory authorities as may be required in connection with the IPO and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required;
5. To invite the existing shareholders of the Company to participate in the Offer for Sale;
6. To take all actions as may be necessary in connection with the IPO, including extending the Bid/ IPO period, revision of the Price Band, in accordance with the Applicable Laws;
7. To appoint, instruct and enter into arrangements with the merchant bankers to the IPO, underwriters to the IPO, syndicate members to the IPO, brokers to the IPO, advisors to the IPO, escrow collection bank(s) to the IPO, registrars to the IPO, sponsor bank, refund bank(s) to the IPO, public issue account bank(s) to the IPO, auditors to the IPO, grading agencies, industry expert, depositories, printers, monitoring agency, advertising agencies, legal counsel and any other agencies or persons or intermediaries to the IPO and to negotiate and finalise and amend the terms of their appointment, including but not limited to execution of the mandate / fee letter of the merchant bankers to the IPO, negotiation, finalisation, execution and, if required, amendment of any agreement with the merchant bankers to the IPO and the underwriting agreement with the underwriters;
8. To negotiate, finalise, settle, execute and deliver or arrange the delivery of an offer agreement, registrar agreement, syndicate agreement, underwriting agreement, cash escrow and sponsor bank agreement, share escrow agreement, monitoring agency agreement and all other documents, deeds, agreements, memorandum of understanding, and any notices, supplements and corrigenda thereto, as may be required or desirable and other instruments whatsoever with the registrar to the IPO, legal advisors, auditors, Stock Exchanges, the

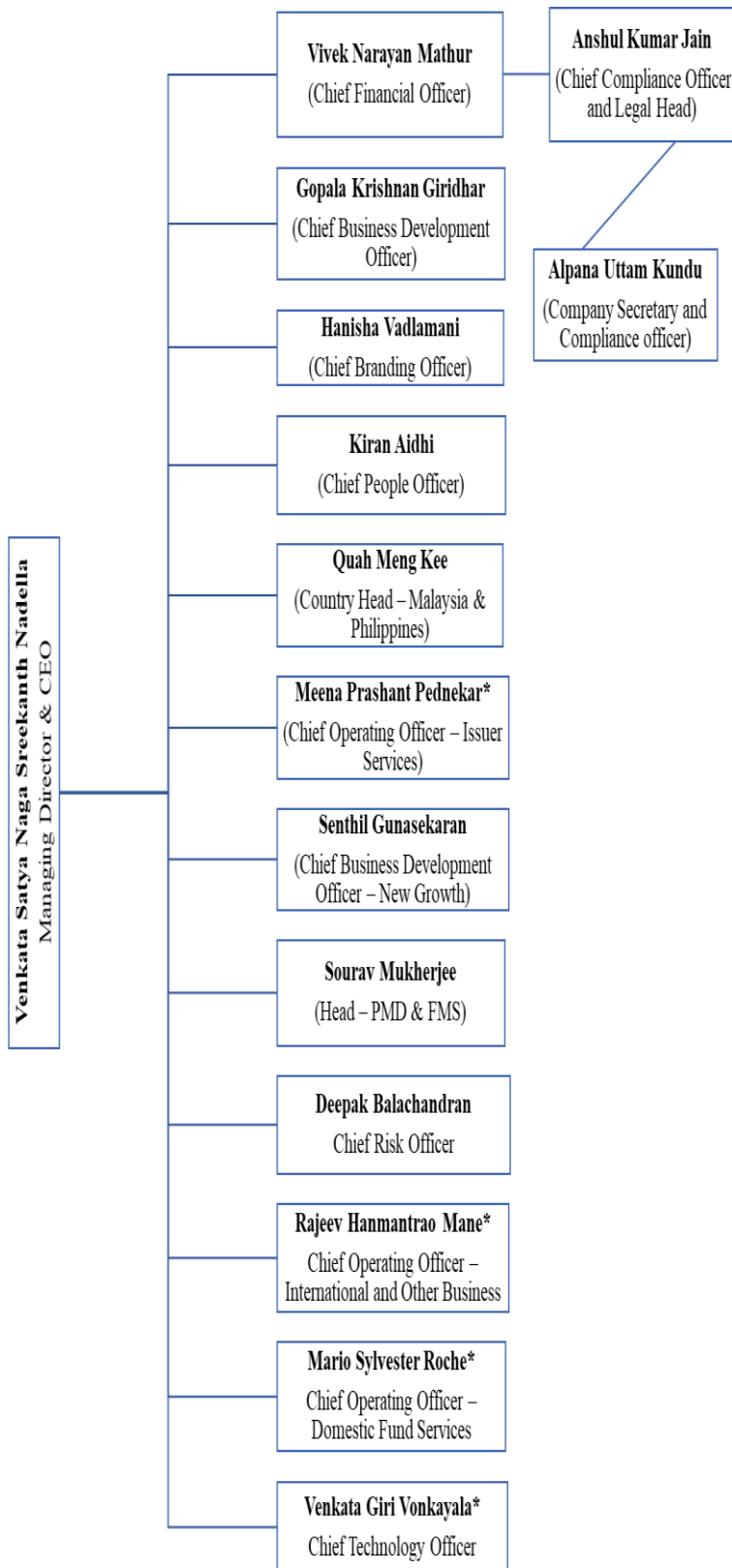


merchant bankers to the IPO and any other agencies/intermediaries in connection with the IPO with the power to authorise one or more officers of the Company to negotiate, execute and deliver all or any of the above documents;

9. To decide, in consultation with the merchant bankers to the IPO, on the size, timing, pricing, discount, reservation and all the terms and conditions of the IPO, including the price band, bid period, IPO price, and to accept any amendments, modifications, variations or alterations thereto;
10. To make any alteration, addition or variation in relation to the IPO, in consultation with the merchant bankers to the IPO and/ or SEBI or such other authorities as may be required, and without prejudice to the generality of the aforesaid, deciding the exact IPO structure and the exact component of issue of Equity Shares;
11. To finalise, approve, adopt, file, deliver and arrange for, in consultation with the merchant bankers to the IPO and the selling shareholders, submission of the draft red herring prospectus (“DRHP”), the red herring prospectus (“RHP”) and the prospectus (including amending, varying or modifying the same, as may be considered desirable or expedient), the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto for the issue of Equity Shares including incorporating such alterations/corrections/modifications as may be required by SEBI, Registrar of Companies, or any other relevant governmental and statutory authorities or in accordance with all Applicable Laws;
12. To approve the relevant restated financial statements to be issued in connection with the IPO;
13. To seek, if required or appropriate, consents of relevant third parties, including consents of the lenders of the Company and its subsidiaries, industry data providers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in relation to the IPO or any actions connected therewith;
14. To make applications to seek clarifications and obtain approvals from, if necessary, the SEBI, the Stock Exchanges, RBI, the Registrar of Companies or any other statutory or governmental authorities in connection with the IPO and, wherever necessary, incorporate such modifications/ amendments/ alterations/ corrections as may be required in the DRHP, the RHP and the prospectus;
15. To open and operate bank account(s) of the Company in terms of the cash escrow and sponsor bank agreement, as applicable and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
16. To authorise and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the IPO;
17. To approve any code of conduct as may be considered necessary or as required under Applicable Laws for the Board, officers of the Company and other employees of the Company;
18. To authorise any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the IPO;
19. To approve suitable materiality policies in relation to the IPO or on a post-IPO basis;
20. To approve suitable policies on insider trading, whistle –blowing, risk management, and any other policies, as may be required under Applicable Laws and the listing agreement to be entered into by the Company with the relevant stock exchanges
21. To approve any corporate governance requirement that may be considered necessary or as may be required under Applicable Laws, in connection with the IPO;
22. To take all actions as may be necessary and authorised in connection with the offer for sale and to approve and take on record the approval of the selling shareholder(s) for offering their Equity Shares in the offer for sale and the transfer of Equity Shares in the offer for sale;
23. To authorise and approve notices, advertisements in such newspapers and other media as it may deem fit and proper in relation to the IPO in consultation with the merchant bankers to the IPO and any other relevant intermediaries appointed for the IPO;

24. To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act or as may be required by the regulations issued by SEBI and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
25. 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;
26. To issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on the Stock Exchanges, with power to authorise one or more officers of the Company to sign all or any of the above documents;
27. To withdraw the DRHP or the RHP or not to proceed with the IPO at any stage, if considered necessary and expedient, in accordance with Applicable Laws and in consultation with the merchant bankers to the IPO;
28. To determine the utilization of the Fresh Issue, and accept and appropriate proceeds of the Fresh Issue in accordance with Applicable Laws;
29. To make applications for listing of Equity Shares on the Stock Exchanges and to execute and to deliver or arrange the delivery of necessary documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;
30. To do all such deeds and acts as may be required to dematerialise the Equity Shares and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the Company to execute all or any of the afore-stated documents;
31. To do all such acts, deeds, matters and things and execute all such other documents, etc., as it may, in its absolute discretion, deem necessary or desirable for the IPO, in consultation with the merchant bankers to the IPO, including without limitation, determining the anchor investor portion and allocation to anchor investors, finalising the basis of allocation and allotment of Equity Shares to the successful allottees and credit of Equity Shares to the demat accounts of the successful allottees in accordance with Applicable Laws;
32. To settle all questions, difficulties or doubts that may arise in regard to the IPO, including such issues or allotment and matters incidental thereto as it may deem fit and to delegate such of its powers as may be deemed necessary and permissible under Applicable Laws to the officials of the Company;
33. To take such action, give such directions, as may be necessary or desirable as regards the IPO and to do all such acts, matters, deeds and things, including but not limited to the allotment of Equity Shares against the valid applications received in the IPO, as are in the best interests of the Company;
34. To approve the incurred of expenditure and payment of fees, commission, remuneration and expenses in relation to the IPO;
35. To negotiate, finalise, settle, execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the IPO and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing;
36. To submit undertaking/certificates or provide clarifications to the Securities Exchange Board of India and the Stock Exchanges where the Equity Shares of the Company are proposed to be listed; and
37. To take all other actions as may be necessary in connection with, or ancillary or incidental to, the IPO.

## Management Organisation Structure



*\*The employees identified above have been designated as Key Managerial Personnel of our Company, with effect from June 6, 2022 in relation to Deepak Balachandran and with effect from June 13, 2022 in relation to Meena Prashant Pednekar, Rajeev Hanmantrao Mane, Venkata Giri Vonkayala and Mario Sylvester Roche, as they were required to directly report to Venkata Satya Naga Sreekanth Nadella, our Managing Director and Chief Executive Officer.*

## Key Managerial Personnel

For details in relation to our Managing Director and Chief Executive Officer, Venkata Satya Naga Sreekanth Nadella, please refer to “- *Brief profiles of our Directors*” beginning on page 278. The details of our other Key Managerial Personnel as on the date of this Red Herring Prospectus are as set forth below:

**Vivek Narayan Mathur** is the Chief Financial Officer of our Company. He has been associated with our Company since January 23, 2020. He holds a bachelor’s degree in commerce (honours) from University of Delhi and is a qualified chartered accountant from The Institute of Chartered Accountants of India. He has over 26 years of experience and prior to joining our Company, he worked with Bharti BT Internet Limited, American Express Bank Ltd., Bajaj Capital Limited, Cigna TTK Health Insurance Company Limited and Tata AIG Life Insurance Co. Limited. During Financial Year 2022, he received an aggregate remuneration of ₹ 18.38 million (inclusive of ₹ 4.52 million performance-based incentive paid for FY 2021 and ₹ 2.00 million performance-based incentive paid for FY 2022).

**Gopala Krishnan Giridhar** is the Chief Business Development Officer of our Company. He has been associated with our Company since November 17, 2018, *i.e.*, the effective date of Scheme of Amalgamation pursuant to which the employees of KCPL were transferred to our Company. For details in relation to the Scheme of Amalgamation, please refer to “*History and Certain Corporate Matters*” beginning on page no. 258. He holds a bachelor’s degree in arts from Osmania University. He has over 25 years of experience in the financial services. Prior to joining our Company, he worked with GIC Asset Management Company Limited and Karvy Computershare Private Limited. During Financial Year 2022, he received an aggregate remuneration of ₹ 6.98 million (inclusive of ₹ 0.71 million performance-based incentive paid for FY 2021).

**Hanisha Vadlamani** is the Chief Branding Officer of our Company. She has been associated with our Company since February 15, 2021. She has attended a bachelor’s course in technology (information technology) from Osmania University. She has over eight years of experience in digital marketing, strategy, branding and communications. Prior to joining our Company, she worked with CallHealth Service Private Limited, Ranstad India Limited (deputed to Facebook India Online Services Private Limited), Reliance Communications Infrastructure Limited, Spectacle Infotek Limited and Clove Technologies Private Limited. During Financial Year 2022, she received an aggregate remuneration of ₹ 1.96 million.

**Kiran Aidhi** is the Chief People Officer of our Company. She has been associated with our Company since August 23, 2021. She holds a bachelor’s degree in arts (honours) from University of Delhi and has a post-graduate diploma in management from The Indian Institute of Planning and Management, New Delhi. She has over 19 years of experience in human resources. Prior to joining our Company, she worked with Accenture Services Private Limited, Hutchison 3 Global Services Private Limited, Bharti Cellular Limited, Convergys India Services Private Limited, CP Ships IT Services Private Limited, Innodata India Private Limited, B.D & P Hotels (I) Private Limited, Ugam Solutions Private Limited and Virtusa Consulting Services Private Limited. During Financial Year 2022, she received an aggregate remuneration of ₹ 4.23 million.

**Quah Meng Kee** is the Country Head – Malaysia & Philippines of our Company. He has been associated with our Company since November 17, 2018, *i.e.*, the effective date of Scheme of Amalgamation pursuant to which the employees of Karvy Computershare (Malaysia) Sdn. Bhd. were transferred to our Company. He has completed a degree in business management from Stamford College, Malaysia. He has over 8 years of experience in system integration, sales and business development, relationship management, business operations and liaisoning in Malaysia. Prior to joining our Company, he worked with AIA Pension and Asset Management Sdn. Bhd. and Karvy Computershare (Malaysia) Sdn. Bhd. During Financial Year 2022, he received an aggregate remuneration of ₹ 10.78 million (inclusive of ₹ 0.39 million performance-based incentive paid for FY 2021).

**Senthil Gunasekaran** is the Chief Business Development Officer – New Growth of our Company. He has been associated with our Company since August 9, 2021. He holds a bachelor’s degree in technology (electronics and communication engineering) from Madurai Kamraj Univeristy and master’s in business administration (finance) from The ICFAI University. He is also designated as Chartered Financial Analyst by CFA Institute and Chartered Alternative Investment Analyst by The Chartered Alternative Investment Analyst Association. He has over 18 years of experience in leading sales, business development, marketing, and CRM divisions. Prior to joining our Company, he worked with HDFC Asset Management Company Limited, Religare Invesco Asset Management Company Private Limited, Sundaram BNP Paribas Asset Management Company Limited, NFO MBL India (P) Ltd. and Prem Engineering. During Financial Year 2022, he received an aggregate remuneration of ₹ 3.70 million.

**Sourav Mukherjee** is the Head – PMD & FMS of our Company. He has been associated with our Company since August 3, 2020. He holds a bachelor's degree in technology (electrical and electronics) from S.D.M. College of Engineering and Technology, Karnatak University, executive post graduate diploma in management from T.A. PAI Management Institute and has completed the senior management programme from Indian Institute of Management, Calcutta. He has over 20 years of experience in the domains of strategy, business continuity, transformation, project management, re-engineering, optimization and workspace planning. Prior to joining our Company, he worked with Brigade Solutions India Private Limited, ACS India Private Limited, Genpact India Private Limited, GE Capital International Services, Microsoft India (R&D) Private Limited, Intel Technology India Private Limited, Accenture Services Private Limited and Core Integrated Management Services Private Limited. During Financial Year 2022, he received an aggregate remuneration of ₹ 3.45 million (inclusive of ₹ 0.19 million performance-based incentive paid for FY 2021).

**Anshul Kumar Jain** is the Chief Compliance Officer & Legal Head of our Company. He has been associated with our Company since June 21, 2021. He holds a bachelor's degree in commerce from Rani Durgavati Vishwavidyalaya, Jabalpur and a fellow member of The Institute of Company Secretaries of India. He has over 16 years of experience in corporate and legal compliance. Prior to joining our Company, he worked with ASA & Associates, Company Secretaries, Wimco Limited, Edelweiss Securities Limited, SSJ Finance & Securities Private Limited, Mehta & Mehta Company Secretaries, Reliance Industries Limited and Reliance Retail Limited. During Financial Year 2022, he received an aggregate remuneration of ₹ 3.68 million.

**Alpana Uttam Kundu** is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since June 22, 2020. She holds a bachelor's and master's degree in commerce from Rashtrasant Tukadoji Maharaj Nagpur University and is a fellow member of 'The Institute of Company Secretaries of India'. She has also completed the "NISM Series II-A: Registrar to an Issue and Share Transfer Agent – Corporate Continuing Professional Education Program" and "NISM Series III-A: Securities Intermediaries Compliance (Non-Fund) Certification Examination" from National Institute of Securities Market. Prior to joining our Company, she worked with S.N. Ananthasubramanian & Co., Practicing Company Secretaries, Shah Baheti Chandak & Co., Chartered Accountants as an audit assistant and Solar Industries India Limited as an assistant company secretary. During Financial Year 2022, she received an aggregate remuneration of ₹ 1.23 million. Further, for FY 2022, ₹ 0.70 million has accrued as performance based incentive, which is payable in FY 2023.

**Deepak Balachandran** is the Chief Risk Officer of our Company. He has been associated with our Company since April 21, 2022. He holds a bachelor's degree in technology (information technology) from University of Kerala and a post graduate diploma in management from Indian Institute of Management, Kozhikode. He has also completed risk management for corporate leaders program from Harvard Business School and investment strategies and portfolio management program from The Wharton School. He has also participated in programme on risk (modelling and management) held at the Indian Institute of Management, Ahmedabad and programme on risk management for financial institutions held at the Indian School of Business, Hyderabad and completed the enterprise risk management programme conducted by the Indian Institute of Management, Bangalore. He has over 8 years of experience in risk management. Prior to joining our Company, he worked with Franklin Templeton Asset Management (India) Pvt. Ltd. as Vice President and Head of Risk Management, Reliance Nippon Life Asset Management Limited, Reliance Capital Limited and DBOI Global Services Private Limited (Deutsche Bank Group). He has not received any remuneration in Financial Year 2022 as he has been appointed in the Financial Year 2023.

**Meena Prashant Pednekar** is the Chief Operating Officer – Issuer Services of our Company. She has been associated with our Company since October 19, 2020. She holds a bachelor's degree in commerce from Mulund College of Commerce, University of Mumbai and master's degree in commerce (external) from the Institute of Distance Education, University of Mumbai. She also holds master's degree in administrative management from Jannalal Bajaj Institute of Management Studies, University of Mumbai and is a certified financial planner from Financial Planning Standard Board. She has over 30 years of experience in operations, business development and product development. Prior to joining our Company, she worked with Stock Holding Corporation of India Limited and was also a nominee director at Stock Holding Document Management Services Limited (a wholly owned subsidiary of Stock Holding Corporation of India Limited) for a period of five years. During Financial Year 2022, she received an aggregate remuneration of ₹ 6.37 million.

**Rajeev Hanmantrao Mane** is the Chief Operating Officer – International and Other Business of our Company.

He has been associated with our Company since September 27, 2021. He holds a bachelor's degree in science (physics) from Shivaji University, Kolhapur. He has over 30 years of experience in the securities servicing industry in domestic as well as global markets. Prior to joining our Company, he worked with Stock Holding Corporation of India Limited, J.P. Morgan Services India Private Limited, Northern Operating Services Private Limited, State Street HCL Services (India) Private Limited, Syntel Ltd., State Street Syntel Services Pvt. Ltd. (formerly known as Syntel Sourcing Pvt. Ltd.) and DSP Merrill Lynch Limited. During Financial Year 2022, he received an aggregate remuneration of ₹ 5.09 million.

**Venkata Giri Vonkayala** is the Chief Technology Officer of our Company. He has been associated with our Company since August 3, 2020. He holds a bachelor's degree in commerce from Faculty of Commerce, Andhra University and master's in business administration (part time) from Regional College of Management, Utkal University, Bhubaneswar. He also holds post graduate diploma in computer and management information system from Regional College of Management, Utkal University, Bhubaneswar. He has over 31 years of experience in software development, implementation and railway finance and accounts. Prior to joining our Company, he worked with Michelin India Private Limited, GE India Industrial Pvt. Ltd., GE Capital Business Process Management Services Pvt. Ltd., LinkedIn Technology Information Private Limited, Pythian India Private Limited, Yahoo! Software Development India Pvt. Ltd., Birlasoft Limited, Center for Railway Information System and South Eastern Railways. During Financial Year 2022, he received an aggregate remuneration of ₹ 8.10 million.

**Mario Sylvester Roche** is Chief Operating Officer – Domestic Fund Services of our Company. He has been associated with our Company since April 10, 2017. He holds a bachelor's degree in commerce from Faculty of Commerce, Kakatiya University and master's degree in business administration in marketing management from the Indian School of Business Management and Administration. He has over 18 years of experience in retail banking, consumer business, operations, consumer servicing and auto sector. Prior to joining our Company, he worked with KAR Financial Services (Car Loans DSA for Kotak Mahindra Primus Limited) as sole proprietor, GE Countrywide Consumer Financial Services Ltd., Citi Financial Consumer Finance India Ltd. (formerly known as Associates India Financial Services Ltd. (permitted user of the brand CitiFinancial)), HDFC Bank Limited, Financial Information Network & Operations Ltd. (FINO) and Geosansar Advisors Private Limited. During Financial Year 2022, he received an aggregate remuneration of ₹ 5.40 million.

Except for Quah Meng Kee, all Key Managerial Personnel are permanent employees of our Company. Quah Meng Kee is employed with KFin Technologies (Malaysia) SDN.BHD, one of our Subsidiaries.

#### **Retirement and termination benefits**

Except for the salary in lieu of leave accrued until the date of retirement and statutory benefits such as gratuity, provident fund and pension entitled to our Key Managerial Personnel, none of our Key Managerial Personnel would receive any benefits on their retirement or on termination of their employment with our Company.

#### **Relationships between our Key Managerial Personnel**

None of our Key Managerial Personnel are related to each other.

#### **Arrangements and understanding with Major Shareholders, customers, suppliers or others, pursuant to which any of the Key Managerial Personnel were selected**

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any major shareholders, customers or suppliers of our Company, or others.

#### **Shareholding of the Key Managerial Personnel**

Except Vivek Narayan Mathur and Venkata Satya Naga Sreekanth Nadella, who holds 50 equity shares each respectively, none of our Key Managerial Personnel holds any Equity Shares as on date of this Red Herring Prospectus. For details in relation to granted and vested stock options issued to the Key Managerial Personnels, please refer "*Capital Structure - Employee Stock Options Schemes*" on page 106.

#### **Status of Key Managerial Personnel**

All our Key Managerial Personnel are permanent employees of our Company.

### Service Contracts with Key Managerial Personnel

None of our Key Managerial Personnel have entered into any service contracts with our Company which would entitle them to retirement benefits upon termination of employment.

### Bonus or profit-sharing plan of the Key Managerial Personnel

Our Key Managerial Personnel are not party to any bonus or profit sharing plan of the Company.

### Interest of Key Managerial Personnel

For interest of Executive Directors, see “– *Interest of Directors*” on page 281.

Our Key Managerial Personnel are interested in our Company only to the extent of the remuneration, benefits or perquisites to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service. Further, the Key Managerial Personnel may also be deemed to be interested to the extent of their shareholding in our Company and any dividend payable to them or other distributions in respect of such Equity Shares, if any.

Further, there is no contingent or deferred compensation payable to Key Managerial Personnel, which does not form part of their remuneration.

### Changes in the Key Managerial Personnel in last three years:

Except as disclosed in “- *Changes to our Board in last three years*” and as disclosed below, there are no changes in our Key Managerial Personnel in last three years:

Sr. No.	Name	Date of change	Reason
1.	Rakesh Kumar Santhalia	February 20, 2020	Resigned as Chief Financial Officer and Company Secretary due to personal reasons
2.	Vivek Narayan Mathur	February 21, 2020	Appointment as Chief Financial Officer
3.	Ganesh Venkatachalam	June 12, 2020	Resigned as Managing Director & Chief Executive Officer in pursuit of other opportunities
4.	Venkata Satya Naga Sreekanth Nadella	June 12, 2020	Appointed as Whole Time Director & Chief Executive Officer
5.	Sourav Mukherjee	August 3, 2020	Appointed as Head – PMD & FMS
6.	Alpana Uttam Kundu	August 19, 2020	Appointment as Company Secretary
7.	Sathish Kumar Nuggu	December 1, 2020	Appointed as Chief Technology and Operations Officer
8.	Hanisha Vadlamani	February 15, 2021	Appointment as Chief Branding Officer
9.	Anshul Kumar Jain	June 21, 2021	Appointment as Chief Compliance Officer & Legal Head
10.	Ajit Kumar	June 28, 2021	Appointment as Chief Strategy Officer
11.	Senthil Gunasekaran	August 9, 2021	Appointment as Chief Business Development Officer – New Growth
12.	Kiran Aidhi	August 23, 2021	Appointment as Chief People Officer
13.	Alpana Uttam Kundu	March 24, 2022	Change in designation from Company Secretary to Company Secretary and Compliance Officer
14.	Deepak Balachandran	June 6, 2022	Designated as KMP during his appointment as Chief Risk Officer since April 21, 2022
15.	Venkata Satya Naga Sreekanth Nadella	June 6, 2022	Change in designation to Managing Director and Chief Executive Officer
16.	Sathish Kumar Nuggu	June 10, 2022	Resigned as Chief Technology and Operations Officer for better job profile opportunity
17.	Meena Prashant Pednekar	June 13, 2022	Designated as KMP during her appointment as Senior Vice President - Corporate Registry since August 1, 2021

Sr. No.	Name	Date of change	Reason
18.	Rajeev Hanmantrao Mane	June 13, 2022	Designated as KMP during his appointment as Chief Operating Officer – International and Other Business since October 11, 2021
19.	Venkata Giri Vonkayala	June 13, 2022	Designated as KMP during his appointment as Chief Data Officer since August 3, 2020
20.	Mario Sylvester Roche	June 13, 2022	Designated as KMP during his appointment as Chief Operating Officer – Domestic Fund Services since June 10, 2022
21.	Meena Prashant Pednekar	September 1, 2022	Change in designation from Senior Vice President – Corporate Registry to Chief Operating Officer – Issuer Services
22.	Srinivas Sudheer Venkatapuram	September 22, 2022	Resigned as Vice President – Bahrain due to personal reasons
23.	Ajit Kumar	September 29, 2022	Resigned as Chief Strategy Officer in pursuit of entrepreneurial opportunity
24.	Venkata Giri Vonkayala	October 1, 2022	Change in designation from Chief Data Officer to Chief Technology Officer

Further, the attrition rate of Key Managerial Personnel of our Company is not high compared to our peers.

#### **Payment or benefit to officers of our Company (non-salary related)**

Except as stated in this section, no non-salary amount or benefit has been paid or given to any Key Managerial Personnel within the two preceding years or is intended to be paid or given.

#### **Employees Stock Options**

For details in relation to employee stock option plans of our Company, see “*Capital Structure – Employee Stock Option Schemes*” beginning on page 106.



## OUR PROMOTER AND PROMOTER GROUP

General Atlantic Singapore Fund Pte. Ltd. is the Promoter of our Company. As on the date of this Red Herring Prospectus, our Promoter holds 123,009,706 Equity Shares aggregating to 72.51% of the issued, subscribed and paid-up Equity Share capital of our Company (*on a fully-diluted basis*). For details, please see “*Capital Structure – Details of the Shareholding of our Promoter and members of the Promoter Group in our Company – Build-up of the Promoter’s shareholding in our Company*” beginning on page 100.

For details of the build-up of the Promoter’s shareholding in our Company, see “*Capital Structure – Details of the Shareholding of our Promoter and members of the Promoter Group in our Company*”, on page 99.

### Details of our Promoter

#### *Corporate Information*

GASF was incorporated as a private company limited by shares under the laws of Singapore on March 15, 2011, having its registered office at 80 Robinson Road, #02-00 Singapore 068898. It is currently engaged in investing, which makes, holds and disposes of investments in growth companies. The Unique Entity Number (UEN) of GASF is 201106196Z.

#### *Board of Directors*

The board of directors of GASF comprise of the following members:

Name	Designation
Izkandar Edward Heylett	Director
Ong Yu Huat	Director

#### *Shareholding Pattern*

The shareholding pattern of GASF is as follows:

Name of Shareholder	Percentage of Shareholding (%)
General Atlantic Singapore Interholdco Ltd.	98.83
GA Robusta Holding, L.P.	1.17

#### *Promoter of GASF*

General Atlantic Singapore Interholdco Ltd. is the promoter of GASF.

General Atlantic Singapore Interholdco Ltd. was incorporated on March 16, 2011, under the laws of Bermuda. Presently, no ultimate natural person is in control (i.e. holding fifteen percent or more voting rights) of General Atlantic Singapore Interholdco Ltd.

The board of directors of General Atlantic Singapore Interholdco Ltd. comprise of the following members:

Name	Designation
Michael Gosk	Director
Christopher G. Lanning	Director

Our Company confirms that the permanent account number, bank account number, company registration number and the address of the registrar of companies, to the extent applicable to GASF have been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus.

#### *Change in control of our Promoter*

There has been no change in the control of GASF in the three years preceding the date of this Red Herring Prospectus.

### **Changes in control of our Company**

General Atlantic Singapore Fund Pte. Ltd. is not the original promoter of our Company and have acquired shares in our Company in November 2018. The Board through the resolution passed by way of circulation on December 31, 2019, re-classified the then promoters of the Company, other than GASF, into non-promoter, public shareholders. Other than as disclosed below and in “*Capital Structure – Build-up of the Promoter’s shareholding in our Company*” on page 100, there has not been any effective change in the management and control of our Company in the five years immediately preceding the date of this Red Herring Prospectus.

General Atlantic Singapore Fund Pte. Ltd. acquired the Equity Shares pursuant to the Share Subscription Agreement and Share Purchase Agreements. For further details, see “*History and Certain Corporate Matters – Other agreements*” on page 266.

### **Other ventures of our Promoter**

Our Promoter is not involved in any other venture which is in the same line of activity or business as that of our Company.

### **Interest of our Promoter**

Our Promoter is interested in our Company to the extent: (i) that it has promoted our Company; (ii) of its shareholding in our Company and the dividend payable, if any, and other distributions in respect of the Equity Shares held by it; (iii) of its right to nominate Directors on the Board of the Company (as provided under “*History and Certain Corporate Matters - Details of shareholders’ agreements*” on page 265). For further details, see “*Capital Structure*”, “*Our Management*”, “*Financial Statements*” and “*Related Party Transactions*” on pages 95, 275, 302 and 388 respectively.

Our Promoter is not interested in the properties acquired or proposed to be acquired by our Company in the three years preceding the date of filing of the Red Herring Prospectus.

Our Promoter is not interested in any transaction in acquisition of land, construction of building or supply of machinery.

Our Promoter is not interested as a member of a firm or a company, and no sum has been paid or agreed to be paid to our Promoter or to such firm or company in cash or shares or otherwise by any person for services rendered by any of Promoter or by such firm or company in connection with the promotion of our Company.

Except as stated in “*Related Party Transactions*” on page 388 and disclosed in “*Our Management*” on page 275, there has been no payment of any amount or benefit given to our Promoter or Promoter Group during the two years preceding the date of filing of the Red Herring Prospectus nor is there any intention to pay any amount or give any benefit to our Promoter or Promoter Group as on the date of this Red Herring Prospectus.

### **Payment or benefits to our Promoter or our Promoter Group**

No amount or benefit has been paid or given to our Promoter or Promoter Group during the two years preceding the date of this Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoter or Promoter Group.

### **Confirmations**

Our Promoter have neither been declared as Wilful Defaulters nor as fraudulent borrowers.

Our Promoter and members of our Promoter Group have not been debarred from accessing the capital market for any reasons by SEBI or any other regulatory or governmental authorities.

### **Material Guarantees**

No material guarantees have been given to third parties by our Promoter with respect to Equity Shares of our Company.

### Companies or firms with which our Promoter has disassociated in the last three years

Except as given below, GASF has not dissociated with any companies or firms in the last three years:

Name of Company or Firm from which Promoter has Disassociated	Reasons for and Circumstances Leading to Disassociation	Date of Disassociation
MuSigma, Inc.	Disposal of investment	March 30, 2022
Advagen Realty LLC	Dissolution of the entity	November 8, 2022
IIFL Wealth Management Limited	Divesment of shareholding	November 22, 2022
General Atlantic Singapore 58 Pte. Ltd.	Dissolution of the entity	August 31, 2022

### Promoter Group

Details of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations (excluding our Subsidiaries and our Promoter) are provided below:

Our Company does not have any natural persons who are part of our Promoter Group.

*Entities forming part of our Promoter Group (other than our Subsidiaries and our Promoter):*

Sr. No.	Name of the entities
<b>Companies</b>	
(1)	Absolute Barbeque Private Limited
(2)	Advagen Holding INC
(3)	Advagen Pharma Ltd.
(4)	Advatech Bio Pharma Ltd.
(5)	ASG Hospital Private Limited
(6)	Bright Dimension Pte. Ltd.
(7)	Capital Foods Private Limited
(8)	GA Robusta Asia Holding, L.P.
(9)	GA Robusta F&B Company Pte. Ltd.
(10)	GA Robusta F&B Holding Pte. Ltd.
(11)	General Atlantic Singapore 58TP Pte. Ltd.
(12)	General Atlantic Singapore AB Pte. Ltd.
(13)	General Atlantic Singapore ACK Pte. Ltd.
(14)	General Atlantic Singapore AI Pte. Ltd.
(15)	General Atlantic Singapore AM Pte. Ltd.
(16)	General Atlantic Singapore AR Pte. Ltd.
(17)	General Atlantic Singapore BTH Pte. Ltd.
(18)	General Atlantic Singapore CF Pte. Ltd.
(19)	General Atlantic Singapore Commander Pte. Ltd.
(20)	General Atlantic Singapore CP Pte. Ltd.
(21)	General Atlantic Singapore CV Pte. Ltd.
(22)	General Atlantic Singapore DD Pte. Ltd.
(23)	General Atlantic Singapore EDL Pte. Ltd.
(24)	General Atlantic Singapore FT Pte. Ltd.
(25)	General Atlantic Singapore GC Pte. Ltd.
(26)	General Atlantic Singapore GMT Pte. Ltd.
(27)	General Atlantic Singapore HCM Pte. Ltd.
(28)	General Atlantic Singapore HF Pte. Ltd.
(29)	General Atlantic Singapore HM Pte. Ltd.
(30)	General Atlantic Singapore Interholdco Ltd.
(31)	General Atlantic Singapore JDD Pte. Ltd.
(32)	General Atlantic Singapore JP Pte. Ltd.
(33)	General Atlantic Singapore KFT Pte. Ltd.
(34)	General Atlantic Singapore KGBio Pte. Ltd.
(35)	General Atlantic Singapore KH Pte. Ltd.
(36)	General Atlantic Singapore KM Pte. Ltd.
(37)	General Atlantic Singapore LGS Pte. Ltd.
(38)	General Atlantic Singapore MB Pte. Ltd.
(39)	General Atlantic Singapore MFW Pte. Ltd.

Sr. No.	Name of the entities
<b>Companies</b>	
(40)	General Atlantic Singapore MYDP Pte. Ltd.
(41)	General Atlantic Singapore NT Pte. Ltd.
(42)	General Atlantic Singapore OT Pte. Ltd.
(43)	General Atlantic Singapore PP Pte. Ltd.
(44)	General Atlantic Singapore PPI Pte. Ltd.
(45)	General Atlantic Singapore PYX Pte. Ltd.
(46)	General Atlantic Singapore RG Pte. Ltd.
(47)	General Atlantic Singapore RL Pte. Ltd.
(48)	General Atlantic Singapore RR Pte. Ltd.
(49)	General Atlantic Singapore SHT Pte. Ltd.
(50)	General Atlantic Singapore SNP Pte. Ltd.
(51)	General Atlantic Singapore SPV 48 Pte. Ltd.
(52)	General Atlantic Singapore SPV 52 Pte. Ltd.
(53)	General Atlantic Singapore HAD Pte. Ltd. <i>(formerly known as General Atlantic Singapore SPV 55 Pte. Ltd.)</i>
(54)	General Atlantic Singapore SPV 57 Pte. Ltd.
(55)	General Atlantic Singapore ASGH Pte. Ltd. <i>(formerly known as General Atlantic Singapore SPV 59 Pte. Ltd.)</i>
(56)	General Atlantic Singapore SPV BF Pte. Ltd.
(57)	General Atlantic Singapore LPB Pte. Ltd. <i>(formerly known as General Atlantic Singapore SPV 62 Pte. Ltd.)</i>
(58)	General Atlantic Singapore SPV 63 Pte. Ltd.
(59)	General Atlantic Singapore SPV 64 Pte. Ltd.
(60)	General Atlantic Singapore AML Pte. Ltd. <i>(formerly known as General Atlantic Singapore SPV 65 Pte. Ltd.)</i>
(61)	General Atlantic Singapore PPIL Pte. Ltd. <i>(formerly known as General Atlantic Singapore SPV 66 Pte. Ltd.)</i>
(62)	General Atlantic Singapore SPV 67 Pte. Ltd.
(63)	General Atlantic Singapore SPV 68 Pte. Ltd.
(64)	General Atlantic Singapore SPV 69 Pte. Ltd.
(65)	General Atlantic Singapore SPV 70 Pte. Ltd.
(66)	General Atlantic Singapore SPV 71 Pte. Ltd.
(67)	General Atlantic Singapore SPV 72 Pte. Ltd.
(68)	General Atlantic Singapore SPV 73 Pte. Ltd.
(69)	General Atlantic Singapore SPV 74 Pte. Ltd.
(70)	General Atlantic Singapore SPV 75 Pte. Ltd.
(71)	General Atlantic Singapore TCS Pte. Ltd.
(72)	General Atlantic Singapore TL Pte. Ltd.
(73)	General Atlantic Singapore TT Pte. Ltd.
(74)	General Atlantic Singapore VNL Pte. Ltd.
(75)	General Atlantic Singapore WB Pte. Ltd.
(76)	General Atlantic Singapore XMYA II Pte. Ltd.
(77)	General Atlantic Singapore XMYA Pte. Ltd.
(78)	General Atlantic Singapore ZRM Pte. Ltd.
(79)	General Atlantic Singapore ZT Pte. Ltd.
(80)	House of Anita Dongre Limited
(81)	JOY Group Inc.
(82)	Kia Health Tech Pvt Ltd
(83)	NC Hotels Investment Holdings Pte. Ltd.
(84)	Nobroker Technologies Solutions Private Limited
(85)	Ocean Imagination L.P.
(86)	Ocean Imagination Parallel L.P
(87)	Rubicon Academy LLP
(88)	Rubicon Consumer Healthcare Pvt. Ltd.
(89)	Rubicon Research Canada Ltd.
(90)	Rubicon Research Private Limited
(91)	Rubicon Research Pvt. Ltd. (Singapore)
(92)	Rubicon Research Australia Pty Ltd.
(93)	SH2021 Pte. Ltd.

## DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and other applicable law, including the Companies Act. The dividend distribution policy of our Company was approved and adopted by our Board by a resolution dated March 24, 2022. Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of the Board and will depend on a number of factors, including but not limited, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings and applicable taxes including dividend distribution tax payable by our Company. There is no guarantee that any dividends will be declared or paid by our Company in the future. For details in relation to the risks involved in this regard, see “*Risk Factors - Our ability to pay dividends in the future will depend on our earnings, profitability, financial condition, cash flows and capital requirements*” on page 65. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For details, see the section entitled “*Financial Indebtedness*” on page 421. The Company has not declared and paid any dividends on the Equity Shares in any of the three Financial Years preceding the date of this Red Herring Prospectus, six months period ended September 30, 2022 and from October 1, 2022 until the date of this Red Herring Prospectus.

**SECTION V – FINANCIAL INFORMATION**

**FINANCIAL STATEMENTS**

<b>S. No.</b>	<b>Financial Statements</b>
1.	Restated Consolidated Financial Information

# B S R & Associates LLP

Chartered Accountants

Salarpuriya Knowledge City,  
Orwell, B Wing, 6<sup>th</sup> Floor, Unit-3,  
Sy No. 83/1, Plot No. 02, Raidurg,  
Hyderabad – 500 081 – India

Telephone: +91 40 7182 2000  
Fax: +91 40 7182 2399

## INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors

### **KFin Technologies Limited** (Formerly known as 'KFin Technologies Private Limited')

Selenium Tower B,  
Plot Nos. 31&32, Gachibowli, Financial District  
Nanakramguda, Serilingampally  
Hyderabad - 500 032

Dear Sirs,

- 1) We, B S R & Associates LLP, Chartered Accountants (“we” or “us” or “our”) have examined the attached Restated Consolidated Financial Information of KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) (the “Company” or the “Holding Company” or the “Issuer”) and its subsidiaries (the Company and its subsidiaries together referred to as the “Group”), comprising the Restated Consolidated Balance Sheet as at 30 September 2022, 30 September 2021, 31 March 2022, 31 March 2021 and 31 March 2020, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the six month period ended 30 September 2022 and 30 September 2021 and for the years ended 31 March 2022, 31 March 2021 and 31 March 2020, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the “Restated Consolidated Financial Information”), as approved by the Board of Directors of the Company at their meeting held on 17 November 2022 for the purpose of inclusion in the Red Herring Prospectus (“RHP”) and Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“IPO”) prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act”);
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).
- 2) The Company’s Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the RHP and Prospectus to be filed with Securities and Exchange Board of India, (“SEBI”), the stock exchanges where the equity shares of the Company are proposed to be listed (“Stock Exchanges”) and the Registrar of Companies, Telangana, situated at Hyderabad (“ROC”) in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the Management of the Company on the basis of preparation stated in Note 2.A. of Annexure V to the Restated Consolidated Financial Information. The responsibility of the respective Board of Directors of the companies included in the Group includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors

Registered Office:

**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION (Continued)**

are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

- 3) We have examined such Restated Consolidated Financial Information taking into consideration:
- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 16 November 2022 in connection with the proposed IPO of equity shares of the Company;
  - b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
  - d) The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO of equity shares of the Company.

- 4) These Restated Consolidated Financial Information have been compiled by the Management from:
- a) The audited interim consolidated financial statements of the Group as at and for the six months period ended 30 September 2022 and 30 September 2021, prepared in accordance with the Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under Section 133 of the Act and other accounting principles generally accepted in India (the "Interim Consolidated Financial Statements") which have been approved by the Board of Directors at their meeting held on 17 November 2022.
  - b) The audited consolidated financial statements of the Group as at and for the years ended 31 March 2022, 31 March 2021 and 31 March 2020, prepared in accordance with the Indian Accounting Standards (referred to as "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, which have been approved by the Board of Directors at their meetings held on 06 June 2022, 24 June 2021 and 02 June 2020 respectively.
- 5) For the purpose of our examination, we have relied on, Auditor's report issued by us dated 17 November 2022 on the interim consolidated financial statements of the Group as at and for the six months period ended 30 September 2022 and 30 September 2021 and Auditor's reports issued by us dated 06 June 2022, 24 June 2021 and 02 June 2020 respectively on the consolidated financial statements as at and for the years ended 31 March 2022, 31 March 2021 and 31 March 2020 respectively as referred in paragraph 4 above.
- 6) The Auditor's reports referred to in paragraph 5 above and issued by us included the following emphasis of matter paragraphs on the interim consolidated financial statements as at and for the six months period ended 30 September 2022 and 30 September 2021 and the consolidated financial statements as at and for the years ended 31 March 2022, 31 March 2021 and 31 March 2020.



**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION (Continued)**

**In the Auditor's report for the six months period ended 30 September 2022 and 30 September 2021**

- A. We draw attention to Note 44(B) of the interim consolidated 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 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 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.

Our opinion is not modified in respect of this matter.

- B. We draw attention to Note 36 of the interim 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 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 19 to the Restated Consolidated Financial Information) issued in October 2021, by INR 300 million (Refer Note 19(ii) to the Restated Consolidated Financial Information), 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 70 million as a provision in the interim 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 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 this matter.

**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION (Continued)**

**In the Auditor's report for the year ended 31 March 2022**

- A. We draw attention to Note 44(B) 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 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 6,694.10 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 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.

During the current year, the Company has obtained approval of NCLT on 02 March 2022 for not amortising goodwill with effect from 01 April 2021.

Our opinion is not modified in respect of this matter.

- B. We draw attention to Note 37 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 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 19 to the Restated Consolidated Financial Information) issued in October 2021, by INR 300 million (Refer Note 19(ii)(b) to the Restated Consolidated Financial Information), 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 70 million as a provision 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 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 this matter.

**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION (Continued)****In the Auditor's reports for the years ended 31 March 2021 and 31 March 2020**

We draw attention to the consolidated 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 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 6,694.10 million had been debited to Goodwill. This Goodwill is being amortised over a period of 10 years as per the terms of the Scheme and is also tested for impairment every year. Such accounting treatment of this transaction is 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. Since no evaluation of the fair value of assets, liabilities and consideration as at the date of the aforesaid amalgamation has been made by the Management in view of the NCLT order referred to above, the impact of this deviation cannot be determined. The effect of the aforesaid deviation in the accounting treatment continues in the consolidated financial statements of each of the mentioned years.

Our opinion is not modified in respect of this matter.

- 7) As indicated in our audit reports referred above, we did not audit the financial statements of four subsidiaries for the six months period ended 30 September 2022 and for the financial year ended 31 March 2022, and the financial statements of two subsidiaries for the six months period ended 30 September 2021 and for the financial years ended 31 March 2021 and 31 March 2020, whose share of total assets (before consolidation adjustments), total revenues (before consolidation adjustments), net cash inflows / (outflows) (before consolidation adjustments) included in the consolidated financial statements, for the relevant years is tabulated below:

(INR in million)

Particulars	As at/ for the six months period ended		As at/ for the year ended		
	30 September 2022	30 September 2021	31 March 2022	31 March 2021	31 March 2020
Total assets	276.42	115.21	247.70	126.44	124.62
Total revenue	163.53	103.66	256.86	202.87	156.96
Net cash inflows/(outflow)	(35.44)	(15.33)	3.09	5.01	62.05

These financial statements have been audited by other auditors as mentioned in Annexure A, whose reports have been furnished to us by the Company's Management and our audit opinions for the relevant years on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components for the relevant periods/ years, are based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements is not modified in respect of these matters.

**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION (Continued)**

Further, the financial information of these subsidiaries included in these Restated Consolidated Financial Information, is based on such financial statements audited by the other auditors. The restatement adjustments made to such financial statements by the Management as per Note 2.A. to the Restated Consolidated Financial Information, have been audited by us.

- 8) Based on our examination and according to the information and explanations given to us, read with the Emphasis of Matter paragraphs included in para 6 above, we report that the Restated Consolidated Financial Information:
  - a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2022, 31 March 2021 and 31 March 2020 and for the period 01 April 2021 to 30 September 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six months period ended 30 September 2022;
  - b) does not contain any qualifications requiring adjustments. However, those qualifications in the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Consolidated Financial Information have been disclosed in Annexure VII to the Restated Consolidated Financial Information; and
  - c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
- 9) The Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the reports on the interim consolidated financial statements and audited consolidated financial statements mentioned in paragraph 4 above.
- 10) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
- 11) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

B S R & Associates LLP

**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION (Continued)**

- 12) Our report is intended solely for use of the Board of Directors for inclusion in the RHP and Prospectus to be filed with SEBI, Stock Exchanges and ROC in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

*for* **B S R & Associates LLP**

*Chartered Accountants*

ICAI Firm's Registration No: 116231W/ W-100024

**Amit Kumar Bajaj**

*Partner*

Membership No: 218685

ICAI UDIN No.: 22218685BDJISZ9324

Place: Hyderabad

Date: 17 November 2022

**INDEPENDENT AUDITOR’S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION (Continued)**

**Annexure A**

**(i) List of Subsidiaries of KFin Technologies Limited**

<b>Name of Entity</b>	<b>Nature of relation</b>
KFin Technologies (Bahrain) W.L.L. (Formerly known as Karvy Fintech (Bahrain) WLL)	Subsidiary
KFin Technologies (Malaysia) SDN.BHD (Formerly known as Karvy Fintech (Malaysia) SDN.BHD)	Subsidiary
KFin Services Private Limited	Subsidiary
Hexagram Fintech Private Limited (acquired w.e.f. 07 February 2022)	Subsidiary
Hexagram Fintech SDN. BHD. (Formerly known as Hexagon Global IT Solutions SDN. BHD.) (acquired w.e.f. 07 February 2022)	Subsidiary
KFin Global Technologies (IFSC) Limited (incorporated on 28 June 2022)	Subsidiary

**(ii) Details of entities for the periods/ years not audited by us and name of the other auditor for the respective period/ year**

<b>Particulars</b>	<b>Nature of Relation</b>	<b>Period/ Year ended</b>	<b>Name of the auditor</b>
KFin Technologies (Bahrain) W.L.L. (Formerly known as Karvy Fintech (Bahrain) WLL)	Subsidiary	For the six months period ended 30 September 2022 30 September 2021 For the year ended 31 March 2022 31 March 2021 31 March 2020	Grant Thornton - Abdulaal
KFin Technologies (Malaysia) SDN.BHD (Formerly known as Karvy Fintech (Malaysia) SDN.BHD)	Subsidiary	For the six months period ended 30 September 2022 30 September 2021 For the year ended 31 March 2022 31 March 2021 31 March 2020	Crowe Malaysia PLT

**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION (Continued)**

<b>Particulars</b>	<b>Nature of Relation</b>	<b>Period/ Year ended</b>	<b>Name of the auditor</b>
Hexagram Fintech Private Limited	Subsidiary	For the six months period ended 30 September 2022 For the year ended 31 March 2022	P S K R & CO
Hexagram Fintech SDN. BHD. (Formerly known as Hexagon Global IT Solutions SDN. BHD.)	Step-down subsidiary	For the six months period ended 30 September 2022 For the year ended 31 March 2022	EMC & Associates

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

**Annexure I - Restated Consolidated Balance Sheet**

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

Particulars	Annexure VI Note	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
<b>I. ASSETS</b>						
<b>(1) Non-current assets</b>						
Property, plant and equipment	3	376.35	349.98	337.62	285.23	344.74
Capital work-in-progress	3	0.13	-	6.33	-	-
Right-of-use assets	6	319.38	291.48	337.31	336.89	365.31
Goodwill	4	5,434.31	5,245.54	5,434.31	5,245.54	5,914.76
Other intangible assets	5	756.85	387.25	576.11	428.06	289.35
Intangible assets under development	5	263.78	145.18	339.44	25.11	0.83
Financial assets						
(i) Investments	10A	-	47.10	-	-	-
(ii) Other financial assets	7	29.26	43.61	61.48	52.05	53.91
Deferred tax assets (net)	34	0.06	0.06	-	-	48.07
Non-current tax assets (net)	8	375.25	360.14	369.45	339.57	330.97
Other non-current assets	9	12.95	17.47	12.04	21.85	3.64
<b>Total non-current assets</b>		<b>7,568.32</b>	<b>6,887.81</b>	<b>7,474.09</b>	<b>6,734.30</b>	<b>7,351.58</b>
<b>(2) Current assets</b>						
Financial assets						
(i) Investments	10B	1,297.41	1,325.45	930.83	949.09	135.44
(ii) Trade receivables	11	1,419.61	1,050.71	1,125.96	1,105.92	883.18
(iii) Cash and cash equivalents	12	422.74	284.58	450.33	229.26	116.62
(iv) Bank balances other than cash and cash equivalents above	13	1.56	5.16	1.53	5.43	61.56
(v) Loans	14	-	2.40	1.41	2.69	3.45
(vi) Other financial assets	15	307.21	69.36	190.48	118.13	79.06
Other current assets	16	131.23	107.08	89.46	81.30	52.95
<b>Total current assets</b>		<b>3,579.76</b>	<b>2,844.74</b>	<b>2,790.00</b>	<b>2,491.82</b>	<b>1,332.26</b>
<b>TOTAL ASSETS</b>		<b>11,148.08</b>	<b>9,732.55</b>	<b>10,264.09</b>	<b>9,226.12</b>	<b>8,683.84</b>
<b>II. EQUITY AND LIABILITIES</b>						
<b>(1) Equity</b>						
Equity share capital	17	1,675.69	1,508.43	1,675.69	1,508.43	1,508.43
Other equity	18	5,691.47	1,191.09	4,767.74	1,955.61	2,587.33
<b>Total equity</b>		<b>7,367.16</b>	<b>2,699.52</b>	<b>6,443.43</b>	<b>3,464.04</b>	<b>4,095.76</b>
<b>LIABILITIES</b>						
<b>(2) Non-current liabilities</b>						
Financial liabilities						
(i) Borrowings	19	1,262.35	2,551.93	1,225.14	2,938.90	3,433.12
(ii) Lease liabilities	6	257.78	215.09	250.57	262.65	281.61
Provisions	20	56.23	67.43	91.00	74.93	51.72
Other liabilities	19(b)	-	1,182.94	-	-	-
Deferred tax liabilities (net)	34	1,204.50	1,221.98	1,237.76	1,249.57	-
<b>Total non-current liabilities</b>		<b>2,780.86</b>	<b>5,239.37</b>	<b>2,804.47</b>	<b>4,526.05</b>	<b>3,766.45</b>
<b>(3) Current liabilities</b>						
Financial liabilities						
(i) Borrowings	21	-	662.44	-	522.44	321.26
(ii) Lease liabilities	6	89.35	107.71	120.93	101.24	96.43
(iii) Trade payables						
- Total dues of micro enterprises and small enterprises	22	5.13	1.03	1.82	3.05	0.20
- Total dues of creditors other than micro enterprises and small enterprises	22	232.62	167.54	253.47	249.58	203.88
(iv) Other financial liabilities	23	310.82	573.42	310.66	197.59	65.33
Other current liabilities	24	162.68	155.73	170.21	118.57	89.20
Provisions	25	62.97	32.80	35.01	30.58	35.98
Current tax liabilities (net)	26	136.49	92.99	124.09	12.98	9.35
<b>Total current liabilities</b>		<b>1,000.06</b>	<b>1,793.66</b>	<b>1,016.19</b>	<b>1,236.03</b>	<b>821.63</b>
<b>Total liabilities</b>		<b>3,780.92</b>	<b>7,033.03</b>	<b>3,820.66</b>	<b>5,762.08</b>	<b>4,588.08</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,148.08</b>	<b>9,732.55</b>	<b>10,264.09</b>	<b>9,226.12</b>	<b>8,683.84</b>

Note: The above statement should be read with Significant Accounting Policies forming part of the Restated Consolidated Financial Information in Annexure V, Notes to Restated Consolidated Financial Information in Annexure VI and Statement of Adjustments to Restated Consolidated Financial Information in Annexure VII.

As per our Report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 116231 W/W-100024

for and on behalf of Board of Directors of

**KFin Technologies Limited**

CIN: U72400TG2017PLC117649

**Amit Kumar Bajaj**

Partner

Membership No.: 218685

Place: Hyderabad

Date: 17 November 2022

**Vishwanathan M Nair**

Chairman

DIN: 02284165

Place: Jaipur

Date: 17 November 2022

**Sreekanth Nadella**

Managing Director

DIN: 08659728

Place: Mumbai

Date: 17 November 2022

**Vivek Narayan Mathur**

Chief Financial Officer

Membership No.: A089454

Place: Mumbai

Date: 17 November 2022

**Alpana Uttam Kundu**

Company Secretary

Membership No.: F10191

Place: Mumbai

Date: 17 November 2022



**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')**  
**Annexure II - Restated Consolidated Statement of Profits and Loss**  
*(All amounts are in INR millions, unless otherwise stated)*

Particulars	Annexure VI Note	For the six months period ended 30 September 2022	For the six months period ended 30 September 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Income</b>						
I. Revenue from operations	27	3,487.68	2,909.01	6,395.07	4,811.44	4,498.71
II. Other income	28	49.95	25.32	60.57	50.54	53.94
<b>III. Total Income (I+II)</b>		<b>3,537.63</b>	<b>2,934.33</b>	<b>6,455.64</b>	<b>4,861.98</b>	<b>4,552.65</b>
<b>IV. Expenses</b>						
Employee benefits expense	29	1,492.28	1,095.16	2,324.86	1,886.06	1,939.83
Finance costs	30	52.37	242.94	528.83	519.54	533.02
Depreciation and amortisation expense	31	225.99	175.17	370.25	979.89	922.12
Other expenses	32	660.40	512.31	1,191.70	801.41	972.61
<b>Total expenses (IV)</b>		<b>2,431.04</b>	<b>2,025.58</b>	<b>4,415.64</b>	<b>4,186.90</b>	<b>4,367.58</b>
<b>V. Profit before tax (III - IV)</b>		<b>1,106.59</b>	<b>908.75</b>	<b>2,040.00</b>	<b>675.08</b>	<b>185.07</b>
<b>VI. Tax expense</b>						
Current tax	34	289.19	262.14	583.34	23.71	2.75
Deferred tax		(36.05)	(31.39)	(28.83)	1,296.44	137.09
		<b>253.14</b>	<b>230.75</b>	<b>554.51</b>	<b>1,320.15</b>	<b>139.84</b>
<b>VII. Profit/ (loss) for the period/ year ( V-VI )</b>		<b>853.45</b>	<b>678.00</b>	<b>1,485.49</b>	<b>(645.07)</b>	<b>45.23</b>
<b>VIII. Other comprehensive income</b>						
<b>A. Items that will not be reclassified to profit or loss</b>						
Remeasurement gain/ (loss) on defined benefit plans		10.86	14.86	(10.76)	4.76	(16.91)
Income tax on above	34	(2.73)	(3.74)	2.71	(1.20)	4.26
<b>B. Items that will be subsequently reclassified to profit or loss</b>						
Exchange differences on translation of foreign operations		0.89	0.81	2.58	(2.37)	5.76
<b>Total other comprehensive income for the period/ year, net of tax (VIII)</b>		<b>9.02</b>	<b>11.93</b>	<b>(5.47)</b>	<b>1.19</b>	<b>(6.89)</b>
<b>IX. Total comprehensive income for the period/ year (VII+VIII)</b>		<b>862.47</b>	<b>689.93</b>	<b>1,480.02</b>	<b>(643.88)</b>	<b>38.34</b>
<b>X. Earnings per equity share (face value of INR 10 each, fully paid-up)</b>						
- Basic	33	5.09	4.49	9.44	(4.28)	0.28
- Diluted		5.05	4.49	9.36	(4.28)	0.28

Note: The above statement should be read with Significant Accounting Policies forming part of the Restated Consolidated Financial Information in Annexure V, Notes to Restated Consolidated Financial Information in Annexure VI and Statement of Adjustments to Restated Consolidated Financial Information in Annexure VII.

As per our Report of even date attached

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

for and on behalf of Board of Directors of  
**KFin Technologies Limited**  
CIN: U72400TG2017PLC117649

**Amit Kumar Bajaj**  
Partner  
Membership No.: 218685

**Vishwanathan M Nair**  
Chairman  
DIN: 02284165

**Sreekanth Nadella**  
Managing Director  
DIN: 08659728

**Vivek Narayan Mathur**  
Chief Financial Officer  
Membership No.: A089454

**Alpana Uttam Kundu**  
Company Secretary  
Membership No.: F10191

Place: Hyderabad  
Date: 17 November 2022

Place: Jaipur  
Date: 17 November 2022

Place: Mumbai  
Date: 17 November 2022

Place: Mumbai  
Date: 17 November 2022

Place: Mumbai  
Date: 17 November 2022

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')**  
**Annexure IV - Restated Consolidated Statement of Cash Flows**  
*(All amounts are in INR millions, unless otherwise stated)*

Particulars	For the six months period ended 30 September 2022	For the six months period ended 30 September 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A. Cash flows from operating activities</b>					
<b>Profit before tax</b>	<b>1,106.59</b>	<b>908.75</b>	<b>2,040.00</b>	<b>675.08</b>	<b>185.07</b>
Adjustment for:					
Depreciation and amortisation expense	162.73	120.29	255.97	869.18	837.86
Depreciation expense on right-of-use assets	63.26	54.88	114.28	110.71	84.26
Loss/ (profit) on sale of property, plant and equipment	1.02	(1.16)	(1.41)	(0.99)	(1.27)
Interest income	(0.95)	(0.36)	(0.90)	(2.00)	(11.07)
Dividend income from investment in mutual funds	(30.26)	(16.37)	(45.07)	(19.90)	(32.22)
Unwinding of discount on deposits	(2.16)	(1.30)	(2.79)	(2.46)	(1.59)
Liabilities no longer required written back	(0.91)	(4.44)	(5.78)	-	(3.65)
Income on derecognition of ROU and lease liability	(12.88)	(0.71)	(1.14)	(0.88)	-
Rent concession income	-	(0.30)	(0.87)	(11.80)	-
Unrealised foreign exchange (gain)/loss, net	(1.46)	1.79	(0.22)	4.71	(3.53)
Interest expense	52.37	242.94	528.83	519.54	533.02
Allowance for credit loss on trade receivables and other financial assets	(5.58)	23.64	57.08	8.99	48.66
Credit impaired trade receivables written-off	-	23.79	23.79	3.84	-
Deposits written-off	1.17	-	2.05	-	-
Share based payment	61.26	28.49	91.55	12.16	16.81
Fair value (gain)/loss of financial assets measured at FVTPL, net	-	-	(7.21)	7.21	-
Loss on sale of investments	-	-	7.34	-	-
<b>Operating profit before working capital changes</b>	<b>1,394.20</b>	<b>1,379.93</b>	<b>3,055.50</b>	<b>2,173.39</b>	<b>1,652.35</b>
<b>Changes in working capital adjustments:</b>					
(Increase)/ decrease in trade receivables	(286.39)	6.00	(79.01)	(261.38)	(37.89)
(Increase)/ decrease in other current financial assets	(115.73)	50.08	(71.98)	(17.98)	(10.42)
Decrease/ (Increase) in loans	1.41	0.29	1.28	0.21	(13.40)
Increase/ (Decrease) in other non- current financial assets	29.89	7.95	(7.11)	-	(0.03)
Increase/(Decrease) in other assets	(40.90)	(21.52)	10.48	(32.42)	(36.49)
(Decrease)/ Increase in trade payables	(16.64)	(79.62)	(43.82)	42.13	(11.96)
Increase/ (Decrease) in other current financial liabilities	8.69	27.96	103.82	133.24	(217.88)
(Decrease)/ Increase in other current liabilities	(7.53)	37.16	45.75	15.26	(11.93)
Increase in current provisions	4.06	9.58	8.23	22.56	2.50
<b>Cash generated from operations</b>	<b>971.06</b>	<b>1,417.81</b>	<b>3,023.14</b>	<b>2,075.01</b>	<b>1,314.85</b>
Income taxes paid, net of refunds	(282.60)	(202.70)	(496.77)	(28.67)	(300.49)
<b>Net cash generated from operating activities (A)</b>	<b>688.46</b>	<b>1,215.11</b>	<b>2,526.37</b>	<b>2,046.34</b>	<b>1,014.36</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)	(126.90)	(82.99)	(204.62)	(56.46)	(49.04)
Purchase of intangible assets (including intangible assets under development)	(184.78)	(132.16)	(476.20)	(240.56)	(25.84)
Investment in other companies	-	(47.10)	-	-	-
Acquisition of subsidiary, net of cash acquired	-	-	(240.93)	-	(265.34)
Investments in equity and preference shares of other companies	-	-	(51.35)	(298.02)	-
Proceeds from sale of investments in equity and preference shares	-	-	44.00	-	-
Fixed deposits redeemed/ (placed) with banks (net)	2.30	0.75	1.87	58.66	247.10
(Investments in)/ proceeds from redemption of mutual funds (net)	(366.57)	(376.35)	(272.55)	(522.85)	979.98
Interest income	0.95	0.36	0.90	2.00	11.07
Dividend income from mutual funds	30.26	16.37	45.07	19.90	32.22
<b>Net cash (used in)/ generated from investing activities (B)</b>	<b>(644.74)</b>	<b>(621.12)</b>	<b>(1,153.81)</b>	<b>(1,037.33)</b>	<b>930.15</b>
<b>C. Cash flows from financing activities</b>					
Payment of lease liabilities	(72.20)	(64.80)	(132.79)	(117.78)	(91.10)
Buy-back of equity shares, including taxes paid	-	-	-	-	(1,156.82)
Repayment of non-convertible debentures	-	(260.00)	(3,520.00)	(320.00)	(160.00)
Interest paid on non-convertible debentures	-	(214.68)	(392.24)	(456.22)	(652.50)
Expenses towards issue of shares	-	-	(209.28)	-	-
Proceeds from issue of equity shares	-	-	3,100.04	-	-
Issue of redeemable preference shares repayable at premium	-	-	0.20	-	-
<b>Net cash used in financing activities (C)</b>	<b>(72.20)</b>	<b>(539.48)</b>	<b>(1,154.07)</b>	<b>(894.00)</b>	<b>(2,060.42)</b>
<b>D. Net (decrease)/ increase in cash and cash equivalents ( A+B+C )</b>	<b>(28.48)</b>	<b>54.51</b>	<b>218.49</b>	<b>115.01</b>	<b>(115.91)</b>
Cash and cash equivalents at the beginning of the period/ year	450.33	229.26	229.26	116.62	226.77
Foreign exchange effect on cash and cash equivalents	0.89	0.81	2.58	(2.37)	5.76
<b>Cash and cash equivalents at the end of the period/ year</b>	<b>422.74</b>	<b>284.58</b>	<b>450.33</b>	<b>229.26</b>	<b>116.62</b>
<b>E. Reconciliation of Cash and Cash equivalents with the consolidated balance sheet (Refer Note 12 to Annexure VI)</b>					
Cash on hand	0.13	0.14	0.14	0.21	0.39
Balance with banks:					
(i) in current accounts	355.00	214.68	424.96	229.05	116.23
(ii) in deposit	67.61	69.76	25.23	-	-
(iii) cash-in-transit	-	-	-	-	-
	<b>422.74</b>	<b>284.58</b>	<b>450.33</b>	<b>229.26</b>	<b>116.62</b>

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')**  
**Annexure IV - Restated Consolidated Statement of Cash Flows**  
*(All amounts are in INR millions, unless otherwise stated)*

Particulars	For the six months period ended 30 September 2022	For the six months period ended 30 September 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>F. Reconciliation of liabilities arising from financing activities</b>					
<b>Opening balance</b>					
Non-convertible Debentures (secured)	-	3,458.90	3,458.90	3,753.12	3,888.67
Interest accrued and not due on non-convertible debentures	-	2.44	2.44	1.26	171.40
Lease liabilities	371.50	363.89	363.89	378.04	289.24
Redeemable preference share	0.20	-	-	-	-
Premium on redeemable preference shares	1,224.94	-	-	-	-
<b>Cash movement</b>					
Non-convertible Debentures (secured)	-	(260.00)	(3,520.00)	(320.00)	(160.00)
Interest accrued and not due on non-convertible debentures	-	(214.68)	(392.24)	(456.22)	(652.50)
Lease liabilities	(72.20)	(64.80)	(132.79)	(117.78)	(91.10)
Redeemable preference share	-	-	0.20	-	-
Premium on redeemable preference shares	-	-	-	-	-
<b>Non-cash movement</b>					
Non-convertible Debentures (secured)	-	13.03	61.10	25.78	24.45
Interest accrued and not due on non-convertible debentures	-	214.68	389.80	457.40	482.36
Lease liabilities	47.83	23.71	140.40	103.63	179.90
Redeemable preference share	-	-	-	-	-
Premium on redeemable preference shares	37.21	-	1,224.94	-	-
<b>Closing balance</b>					
Non-convertible Debentures (secured)	-	3,211.93	-	3,458.90	3,753.12
Interest accrued and not due on non-convertible debentures	-	2.44	-	2.44	1.26
Lease liabilities	347.13	322.80	371.50	363.89	378.04
Redeemable preference share	0.20	-	0.20	-	-
Premium on redeemable preference shares	1,262.15	-	1,224.94	-	-

**Non-cash movement represents:**

- with respect to non-convertible debentures (secured), amortisation of processing fees paid as per effective interest rate. Refer Note 19 to Annexure VI for details
- with respect to interest accrued and not due on non-convertible debentures, amortisation of processing fees paid as per effective interest rate. Refer Note 19 to Annexure VI 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(D) to Annexure VI for details
- with respect to redeemable preference share, premium payable on redemption. Refer Note 19 to Annexure VI for details

**Notes**

1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Cash Flow Statements".

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.

2) The above statement should be read with Significant Accounting Policies forming part of the Restated Consolidated Financial Information in Annexure V, Notes to Restated Consolidated Financial Information in Annexure VI and Statement of Adjustments to Restated Consolidated Financial Information in Annexure VII.

As per our Report of even date attached

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

for and on behalf of Board of Directors of  
**KFin Technologies Limited**  
CIN: U72400TG2017PLC117649

**Amit Kumar Bajaj**  
Partner  
Membership No.: 218685

**Vishwanathan M Nair**  
Chairman  
DIN: 02284165

**Sreekanth Nadella**  
Managing Director  
DIN: 08659728

**Vivek Narayan Mathur**  
Chief Financial Officer  
Membership No.: A089454

**Alpana Uttam Kundu**  
Company Secretary  
Membership No.: F10191

Place: Hyderabad  
Date: 17 November 2022

Place: Jaipur  
Date: 17 November 2022

Place: Mumbai  
Date: 17 November 2022

Place: Mumbai  
Date: 17 November 2022

Place: Mumbai  
Date: 17 November 2022

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')**  
**Annexure III - Restated Consolidated Statement of Changes in Equity**  
*(All amounts are in INR millions, unless otherwise stated)*

**Equity share capital and other equity**

Particulars	Equity share capital	Other equity								Other comprehensive income	Total other equity
		Securities premium	Statutory Reserve	Capital reserve	Capital redemption reserve (CRR)	Debt redemption reserve	Retained earnings	General reserve	Share based payment reserve	Foreign currency translation reserve	
<b>Opening Balance as at 1 April 2019</b>	1,658.31	3,439.25	3.68	0.10	-	75.00	23.76	-	-	(2.67)	3,539.12
Changes in equity share capital due to prior period errors	-	-	-	-	-	-	-	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	1,658.31	3,439.25	3.68	0.10	-	75.00	23.76	-	-	(2.67)	3,539.12
Buy-back of equity shares (Refer Note 17(b)(i) to Annexure VI)	(149.88)	-	-	-	-	-	-	-	-	-	-
Taxes paid on buy back of equity shares	-	(43.97)	-	-	-	-	-	-	-	-	(43.97)
Utilised towards buy back of equity shares (Refer Note 17(b)(i) to Annexure VI)	-	(1,112.85)	-	-	-	-	-	-	-	-	(1,112.85)
Created during the year (Refer Note 17(b)(i) to Annexure VI)	-	-	-	-	149.88	-	-	-	-	-	149.88
Profit for the year	-	-	-	-	-	-	45.23	-	-	-	45.23
Share based payments (Refer Note 45 to Annexure VI)	-	-	-	-	-	-	-	-	16.81	-	16.81
Remeasurement of defined benefit obligation	-	-	-	-	-	-	(12.65)	-	-	-	(12.65)
Foreign currency translation reserve	-	-	-	-	-	-	-	-	-	5.76	5.76
<b>Balance as at 31 March 2020</b>	1,508.43	2,282.43	3.68	0.10	149.88	75.00	56.34	-	16.81	3.09	2,587.33
<b>Opening Balance as at 1 April 2020</b>	1,508.43	2,282.43	3.68	0.10	149.88	75.00	56.34	-	16.81	3.09	2,587.33
Changes in equity share capital due to prior period errors	-	-	-	-	-	-	-	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	1,508.43	2,282.43	3.68	0.10	149.88	75.00	56.34	-	16.81	3.09	2,587.33
Loss for the year	-	-	-	-	-	-	(645.07)	-	-	-	(645.07)
Share based payments (Refer Note 45 to Annexure VI)	-	-	-	-	-	-	-	-	12.16	-	12.16
Remeasurement of defined benefit obligation	-	-	-	-	-	-	3.56	-	-	-	3.56
Foreign currency translation reserve	-	-	-	-	-	-	-	-	-	(2.37)	(2.37)
<b>Balance as at 31 March 2021</b>	1,508.43	2,282.43	3.68	0.10	149.88	75.00	(585.17)	-	28.97	0.72	1,955.61
<b>Opening Balance as at 1 April 2021</b>	1,508.43	2,282.43	3.68	0.10	149.88	75.00	(585.17)	-	28.97	0.72	1,955.61
Changes in equity share capital due to prior period errors	-	-	-	-	-	-	-	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	1,508.43	2,282.43	3.68	0.10	149.88	75.00	(585.17)	-	28.97	0.72	1,955.61
Profit for the period	-	-	-	-	-	-	678.00	-	-	-	678.00
Extinguishment of rights under shareholder's agreement (Refer Note 19(ii) to Annexure VI)	-	-	-	-	-	-	(1,482.94)	-	-	-	(1,482.94)
Share based payments (Refer Note 45 to Annexure VI)	-	-	-	-	-	-	-	-	28.49	-	28.49
Remeasurement of defined benefit obligation	-	-	-	-	-	-	11.12	-	-	-	11.12
Foreign currency translation reserve	-	-	-	-	-	-	-	-	-	0.81	0.81
<b>Balance as at 30 September 2021</b>	1,508.43	2,282.43	3.68	0.10	149.88	75.00	(1,378.99)	-	57.46	1.53	1,191.09
<b>Opening Balance as at 1 April 2021</b>	1,508.43	2,282.43	3.68	0.10	149.88	75.00	(585.17)	-	28.97	0.72	1,955.61
Changes in equity share capital due to prior period errors	-	-	-	-	-	-	-	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	1,508.43	2,282.43	3.68	0.10	149.88	75.00	(585.17)	-	28.97	0.72	1,955.61
Issue of share capital	167.25	2,932.78	-	-	-	-	-	-	-	-	2,932.78
Share issue expenses	-	(209.28)	-	-	-	-	-	-	-	-	(209.28)
Extinguishment of rights under shareholder's agreement (Refer Note 19(ii) to Annexure VI)	-	-	-	-	-	-	(1,482.94)	-	-	-	(1,482.94)
Transfer to General reserve on repayment of NCDs	-	-	-	-	-	(75.00)	-	75.00	-	-	-
Profit for the year	-	-	-	-	-	-	1,485.49	-	-	-	1,485.49
Share based payments (Refer Note 45 to Annexure VI)	-	-	-	-	-	-	-	-	91.55	-	91.55
Exercise of stock options	0.01	0.01	-	-	-	-	-	-	(0.01)	-	-
Remeasurement of defined benefit obligation	-	-	-	-	-	-	(8.05)	-	-	-	(8.05)
Foreign currency translation reserve	-	-	-	-	-	-	-	-	-	2.58	2.58
<b>Balance as at 31 March 2022</b>	1,675.69	5,005.94	3.68	0.10	149.88	-	(590.67)	75.00	120.51	3.30	4,767.74
<b>Opening Balance as at 1 April 2022</b>	1,675.69	5,005.94	3.68	0.10	149.88	-	(590.67)	75.00	120.51	3.30	4,767.74
Changes in equity share capital due to prior period errors	-	-	-	-	-	-	-	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	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 period	-	-	-	-	-	-	853.45	-	-	-	853.45
Share based payments (Refer Note 45 to Annexure VI)	-	-	-	-	-	-	-	-	61.26	-	61.26
Remeasurement of defined benefit obligation	-	-	-	-	-	-	8.13	-	-	-	8.13
Foreign currency translation reserve	-	-	-	-	-	-	-	-	-	0.89	0.89
<b>Balance as at 30 September 2022</b>	1,675.69	5,005.94	3.68	0.10	149.88	-	270.91	75.00	181.77	4.19	5,691.47

Note: The above statement should be read with Significant Accounting Policies forming part of the Restated Consolidated Financial Information in Annexure V, Notes to Restated Consolidated Financial Information in Annexure VI and Statement of Adjustments to Restated Consolidated Financial Information in Annexure VII.

As per our Report of even date attached

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

for and on behalf of Board of Directors of  
**KFin Technologies Limited**  
CIN: U72400TG2017PLC117649

**Amit Kumar Bajaj**  
Partner  
Membership No.: 218685

**Vishwanathan M Nair**  
Chairman  
DIN: 02284165

**Sreekanth Nadella**  
Managing Director  
DIN: 08659728

**Vivek Narayan Mathur**  
Chief Financial Officer  
Membership No.: A089454

**Alpana Uttam Kundu**  
Company Secretary  
Membership No.: F10191

Place: Hyderabad  
Date: 17 November 2022

Place: Jaipur  
Date: 17 November 2022

Place: Mumbai  
Date: 17 November 2022

Place: Mumbai  
Date: 17 November 2022

Place: Mumbai  
Date: 17 November 2022

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

### **Annexure V to Restated Consolidated Financial Information**

#### **1. Reporting entity**

KFin Technologies Limited ("the Company" or "the Parent Company") (formerly known as KFin Technologies Private Limited) was incorporated on 08 June 2017 at Hyderabad, India. The Parent Company's registered office is at Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad, Rangareddi Telangana 500032. The Parent 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 March 2022 and consequently, the name was changed to "KFin Technologies Limited"

#### **2. Significant Accounting Policies**

##### **A. Basis of preparation and measurement of Restated Consolidated Financial Information**

The Restated Consolidated Balance Sheet of the Group as at 30 September 2022, 30 September 2021, 31 March 2022, 31 March 2021 and 31 March 2019, the related Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity, and the Restated Consolidated Statement of Cash Flows for the six months period ended 30 September 2022, 30 September 2021, years ended 31 March 2022, 31 March 2021 and 31 March 2020 and the Significant accounting policies and Restated Other Financial Information (together referred to as 'Restated Consolidated Financial Information') 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 Restated Consolidated Financial Information 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 Restated Consolidated Financial Information have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the Restated Consolidated Financial Information.

The Restated Consolidated Financial Information has been prepared for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') and other regulatory authorities such as Register of Companies ('ROC') in connection with proposed Initial Public Offering of its equity shares, in accordance with the requirements of:

- Section 26 of part I of Chapter III of the Act;
- relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India ('SEBI') as amended in pursuance of the Securities and Exchange Board of India Act, 1992; and
- Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI").

The Restated Consolidated Financial Information has been compiled by the Group from:

- Audited Consolidated financial statements of the Group as at and for period/ year ended 30 September 2022, 30 September 2021, years ended 31 March 2022, 31 March 2021 and 31 March 2020 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; and
- there were no material adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the Audited Consolidated financial statements of the Group as at and for the period ended 30 September 2022 and the requirements of the SEBI Regulations.

**KFin Technologies Limited (formerly known as KFin Technologies Private Limited)  
Restated Consolidated Financial Information**

**2. Significant Accounting Policies (continued)**

**A. Basis of preparation and measurement of Restated Consolidated Financial Information (continued)**

**Subsidiaries considered in the Restated Consolidated Financial Information:**

Entity	Country of incorporation	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
KFin Technologies (Bahrain) W.L.L. (formerly known as Karvy Fintech (Bahrain) W.L.L)	Bahrain	100%	100%	100%	100%	100%
KFin Technologies (Malaysia) SDN.BHD (formerly known as Karvy Fintech (Malaysia) SDN.BHD)	Malaysia	100%	100%	100%	100%	100%
KFin Services Private Limited (w.e.f. 6 January 2020)	India	100%	100%	100%	100%	100%
Hexagram Fintech Private Limited (w.e.f 7 February 2022)	India	100%	NA	100%	NA	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	100%	NA	NA
KFin Global Technologies (IFSC) Limited (w.e.f 28 June 2022)	India	100%	NA	NA	NA	NA

This Restated Consolidated Financial Information was authorised for issue by the Board of Directors on 17 November 2022.

**Functional and presentation currency**

These Restated Consolidated Financial Information are presented in Indian Rupees ('INR'), which is the Parent Company's functional currency. All amounts have been rounded to the nearest millions, unless otherwise stated.

The Restated Consolidated Financial Information 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 Restated Consolidated Financial Information 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).

**KFin Technologies Limited (formerly known as KFin Technologies Private Limited)  
Restated Consolidated Financial Information**

**2. Significant Accounting Policies (continued)**

**A. Basis of preparation and measurement of Restated Consolidated Financial Information (continued)**

**Fair value measurement (continued)**

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 Group 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 Restated Consolidated Financial Information, 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 Restated Consolidated Financial Information 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 Restated Consolidated Financial Information.

**a) Judgements**

Information about the judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the Restated Consolidated Financial Information 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 Restated Consolidated Financial Information 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](#)).

**KFin Technologies Limited (formerly known as KFin Technologies Private Limited)**  
**Restated Consolidated Financial Information**

**2. Significant Accounting Policies (continued)**

**A. Basis of preparation and measurement of Restated Consolidated Financial Information (continued)**

**Use of judgments and estimates (continued)**

**b) Assumptions and estimation uncertainties (continued)**

• *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).

• *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 R).

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

The determination of recoverable amounts of the Cash generating units (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)



**KFin Technologies Limited (formerly known as KFin Technologies Private Limited)  
Restated Consolidated Financial Information**

**2. Significant Accounting Policies (continued)**

**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 Parent 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 Restated Consolidated Financial Information 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 restated 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.

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 Restated Consolidated Financial Information are presented, to the extent possible, in the same format as that adopted by the Parent Company for its separate financial statements.

The Restated Consolidated Financial Information 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 Restated Consolidated Financial Information for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial information in preparing the Restated Consolidated Financial Information 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.

**KFin Technologies Limited (formerly known as KFin Technologies Private Limited)  
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**2. Significant Accounting Policies (continued)**

**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 Restated Consolidated Financial Information, 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 Restated Consolidated Financial Information, 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 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

**KFin Technologies Limited (formerly known as KFin Technologies Private Limited)  
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**2. Significant Accounting Policies (continued)**

**D) Leases (continue)**

*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.

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.

**KFin Technologies Limited (formerly known as KFin Technologies Private Limited)**  
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**2. Significant Accounting Policies (continued)**

**D) Leases (continued)**

*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 Restated 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.

**KFin Technologies Limited (formerly known as KFin Technologies Private Limited)**  
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**2. Significant Accounting Policies (continued)**

**E) Property, plant and equipment (continued)**

**Depreciation**

The Group 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.

<b>Asset category</b>	<b>Estimated useful life (years)</b>
Plant and machinery	5-15
Electrical installations	10
Furniture and fixtures	10
Computers	3
Office equipment	5
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 Restated 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

<b>Asset category</b>	<b>Estimated useful life (Years)</b>
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 Restated 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.

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**2. Significant Accounting Policies (continued)**

**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 Group 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 restated 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 Restated 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.

**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 42 and Note 43(C) to Annexure VI). 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 42 and Note 43(C) to Annexure VI) 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 units (CGUs).

The recoverable amount of a CGUs (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 CGUs (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 CGUs 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.

**KFin Technologies Limited (formerly known as KFin Technologies Private Limited)  
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**2. Significant Accounting Policies (continued)**

**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 Restated 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 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 Restated 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 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 Restated 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 Restated 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.

**KFin Technologies Limited (formerly known as KFin Technologies Private Limited)  
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**2. Significant Accounting Policies (continued)**

**K) Employee benefits (continued)**

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 Restated 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.

*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 Restated 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) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs. Revenue is 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 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 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**



**KFin Technologies Limited (formerly known as KFin Technologies Private Limited)  
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**2. Significant Accounting Policies (continued)**

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 Restated Consolidated Statement of Profit and Loss.

Dividends are recognised in Restated 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.

**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.

**KFin Technologies Limited (formerly known as KFin Technologies Private Limited)  
Restated Consolidated Financial Information**

**2. Significant Accounting Policies (continued)**

**Q) Provisions, contingent liabilities and contingent assets (continued)**

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 Restated Consolidated Financial Information 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 transaction costs that are attributable to the acquisition of the financial asset except assets measured at fair value through profit or loss

**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.

**KFin Technologies Limited (formerly known as KFin Technologies Private Limited)  
Restated Consolidated Financial Information**

**2. Significant Accounting Policies (continued)**

**R) Financial instruments (Continued)**

**Financial assets (Continued)**

**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 Restated 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 Restated 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:

- 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.

**KFin Technologies Limited (formerly known as KFin Technologies Private Limited)  
Restated Consolidated Financial Information**

**2. Significant Accounting Policies (continued)**

**R) Financial instruments (Continued)**

**Financial assets (Continued)**

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 Restated 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.

**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.

**KFin Technologies Limited (formerly known as KFin Technologies Private Limited)  
Restated Consolidated Financial Information**

**2. Significant Accounting Policies (continued)**

**R) Financial instruments (Continued)**

**Financial liabilities (Continued)**

**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 Restated 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 Restated 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 Restated 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 Restated 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.

**KFin Technologies Limited (formerly known as KFin Technologies Private Limited)  
Restated Consolidated Financial Information**

**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.

**KFin Technologies Limited (formerly known as KFin Technologies Private Limited)  
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**2. Significant Accounting Policies (continued)**

**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.

**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.

**KFin Technologies Limited (formerly known as KFin Technologies Private Limited)  
Restated Consolidated Financial Information**

**2. Significant Accounting Policies (continued)**

**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 Restated 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. During six-month period ended 30 September 2022, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.



**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')**  
**Annexure VI : Notes to Restated Consolidated Financial Information**  
*(All amounts are in INR 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>								
<b>Balance as at 1 April 2019</b>	<b>159.91</b>	<b>187.30</b>	<b>21.04</b>	<b>34.52</b>	<b>7.12</b>	<b>11.89</b>	<b>421.78</b>	<b>3.66</b>
Acquired through business combinations (Refer Note 43(B) to Annexure VI)	-	29.84	0.32	0.92	0.03	-	31.11	-
Additions	2.33	54.51	0.15	3.48	0.16	1.50	62.13	-
Disposals <sup>^</sup>	-	(0.15)	-	(0.10)	-	(2.02)	(2.27)	(3.66)
Exchange differences on translation of foreign operations	0.03	0.03	-	0.05	-	-	0.11	-
<b>Balance as at 31 March 2020</b>	<b>162.27</b>	<b>271.53</b>	<b>21.51</b>	<b>38.87</b>	<b>7.31</b>	<b>11.37</b>	<b>512.86</b>	<b>-</b>
Additions	15.69	43.21	-	4.02	-	5.49	68.41	-
Disposals	-	-	(0.12)	(0.37)	(0.16)	(9.05)	(9.70)	-
Exchange differences on translation of foreign operations	-	0.01	-	(0.03)	-	-	(0.02)	-
<b>Balance as at 31 March 2021</b>	<b>177.96</b>	<b>314.75</b>	<b>21.39</b>	<b>42.49</b>	<b>7.15</b>	<b>7.81</b>	<b>571.55</b>	<b>-</b>
Additions	-	128.58	0.04	3.55	-	-	132.17	6.33
Disposals	-	(0.10)	-	(0.01)	-	(0.32)	(0.43)	-
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-
<b>Balance as at 30 September 2021</b>	<b>177.96</b>	<b>443.23</b>	<b>21.43</b>	<b>46.03</b>	<b>7.15</b>	<b>7.49</b>	<b>703.29</b>	<b>6.33</b>
<b>Balance as at 1 April 2021</b>	<b>177.96</b>	<b>314.75</b>	<b>21.39</b>	<b>42.49</b>	<b>7.15</b>	<b>7.81</b>	<b>571.55</b>	<b>-</b>
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	0.39	-	-	0.53	-
<b>Balance as at 31 March 2022</b>	<b>178.41</b>	<b>488.91</b>	<b>21.60</b>	<b>49.36</b>	<b>7.15</b>	<b>15.44</b>	<b>760.87</b>	<b>6.33</b>
Additions	31.44	93.76	1.46	1.27	1.35	-	129.28	10.49
Disposals <sup>^</sup>	(3.22)	(12.69)	(2.98)	(7.22)	(0.60)	(4.30)	(31.01)	(16.69)
Exchange differences on translation of foreign operations	0.13	0.01	0.04	0.10	-	-	0.28	-
<b>Balance as at 30 September 2022</b>	<b>206.76</b>	<b>569.99</b>	<b>20.12</b>	<b>43.51</b>	<b>7.90</b>	<b>11.14</b>	<b>859.42</b>	<b>0.13</b>
<b>Accumulated depreciation</b>								
<b>Balance as at 31 March 2019</b>	<b>13.53</b>	<b>24.10</b>	<b>1.24</b>	<b>4.27</b>	<b>0.27</b>	<b>1.02</b>	<b>44.43</b>	<b>-</b>
Depreciation for the year	35.23	68.26	3.63	13.16	0.76	3.16	124.20	-
Disposals	-	(0.03)	-	(0.03)	-	(0.48)	(0.54)	-
Exchange differences on translation of foreign operations	0.02	0.01	-	-	-	-	0.03	-
<b>Balance as at 31 March 2020</b>	<b>48.78</b>	<b>92.34</b>	<b>4.87</b>	<b>17.40</b>	<b>1.03</b>	<b>3.70</b>	<b>168.12</b>	<b>-</b>
Depreciation for the year	37.03	71.66	3.42	8.27	0.75	1.27	122.40	-
Disposals	-	-	(0.05)	(0.30)	(0.13)	(3.72)	(4.20)	-
Exchange differences on translation of foreign operations	0.01	-	-	(0.01)	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>85.82</b>	<b>164.00</b>	<b>8.24</b>	<b>25.36</b>	<b>1.65</b>	<b>1.25</b>	<b>286.32</b>	<b>-</b>
Depreciation for the period	20.03	41.18	1.69	3.41	0.32	0.75	67.38	-
Disposals	-	(0.06)	-	(0.01)	-	(0.32)	(0.39)	-
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-
<b>Balance as at 30 September 2021</b>	<b>105.85</b>	<b>205.12</b>	<b>9.93</b>	<b>28.76</b>	<b>1.97</b>	<b>1.68</b>	<b>353.31</b>	<b>-</b>
<b>Balance as at 1 April 2021</b>	<b>85.82</b>	<b>164.00</b>	<b>8.24</b>	<b>25.36</b>	<b>1.65</b>	<b>1.25</b>	<b>286.32</b>	<b>-</b>
Depreciation for the year	40.07	90.28	3.48	7.17	0.65	1.98	143.63	-
Disposals	-	(6.40)	-	(0.43)	-	(0.32)	(7.15)	-
Exchange differences on translation of foreign operations	0.12	-	-	0.33	-	-	0.45	-
<b>Balance as at 31 March 2022</b>	<b>126.01</b>	<b>247.88</b>	<b>11.72</b>	<b>32.43</b>	<b>2.30</b>	<b>2.91</b>	<b>423.25</b>	<b>-</b>
Depreciation for the period	20.26	55.97	1.49	3.62	0.34	1.35	83.03	-
Disposals	(2.42)	(12.69)	(1.62)	(5.46)	(0.20)	(1.11)	(23.50)	-
Exchange differences on translation of foreign operations	0.15	-	0.04	0.10	-	-	0.29	-
<b>Balance as at 30 September 2022</b>	<b>144.00</b>	<b>291.16</b>	<b>11.63</b>	<b>30.69</b>	<b>2.44</b>	<b>3.15</b>	<b>483.07</b>	<b>-</b>

<sup>^</sup> Disposals with respect to capital-work-in progress represent transfers to property, plant and equipment by way of capitalisation.

Particulars	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total			
<b>Carrying amounts (net)</b>								
<b>As at 30 September 2022</b>	<b>62.76</b>	<b>278.83</b>	<b>8.49</b>	<b>12.82</b>	<b>5.46</b>	<b>7.99</b>	<b>376.35</b>	<b>0.13</b>
<b>As at 30 September 2021</b>	<b>72.11</b>	<b>238.11</b>	<b>11.50</b>	<b>17.27</b>	<b>5.18</b>	<b>5.81</b>	<b>349.98</b>	<b>-</b>
<b>As at 31 March 2022</b>	<b>52.40</b>	<b>241.03</b>	<b>9.88</b>	<b>16.93</b>	<b>4.85</b>	<b>12.53</b>	<b>337.62</b>	<b>6.33</b>
<b>As at 31 March 2021</b>	<b>92.14</b>	<b>150.75</b>	<b>13.15</b>	<b>17.13</b>	<b>5.50</b>	<b>6.56</b>	<b>285.23</b>	<b>-</b>
<b>As at 31 March 2020</b>	<b>113.49</b>	<b>179.19</b>	<b>16.64</b>	<b>21.47</b>	<b>6.28</b>	<b>7.67</b>	<b>344.74</b>	<b>-</b>

**Ageing of Capital work in progress:**

Particular	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
<b>As at 30 September 2022</b>					
Projects in progress	0.13	-	-	-	0.13
Projects temporarily suspended	-	-	-	-	-
<b>As at 30 September 2021</b>					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>As at 31 March 2022</b>					
Projects in progress	6.33	-	-	-	6.33
Projects temporarily suspended	-	-	-	-	-
<b>As at 31 March 2021</b>					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>As at 31 March 2020</b>					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

**Note:**

- Refer Note 19 to Annexure VI for the details of property, plant and equipment that has been pledged as security against borrowings of the Group.
- 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 projects where completion is overdue or has exceeded its cost compared to its original plan.

4 Goodwill

Particulars	On business combination	Others*	Total
<b>Gross carrying amount</b>			
<b>Balance as at 31 March 2019</b>	<b>6,694.10</b>	<b>125.85</b>	<b>6,819.95</b>
Acquired through business combinations (Refer Note 43(B) to Annexure VI)	13.60	-	13.60
<b>Balance as at 31 March 2020</b>	<b>6,707.70</b>	<b>125.85</b>	<b>6,833.55</b>
Additions	-	-	-
<b>Balance as at 31 March 2021</b>	<b>6,707.70</b>	<b>125.85</b>	<b>6,833.55</b>
Additions	-	-	-
<b>Balance as at 30 September 2021</b>	<b>6,707.70</b>	<b>125.85</b>	<b>6,833.55</b>
<b>Balance as at 1 April 2021</b>	<b>6,707.70</b>	<b>125.85</b>	<b>6,833.55</b>
Acquired through business combinations (Refer Note 43(A) to Annexure VI)	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 30 September 2022</b>	<b>6,896.47</b>	<b>125.85</b>	<b>7,022.32</b>
<b>Accumulated amortisation</b>			
<b>Balance as at 31 March 2019</b>	<b>247.73</b>	<b>-</b>	<b>247.73</b>
Amortisation for the year	671.06	-	671.06
<b>Balance as at 31 March 2020</b>	<b>918.79</b>	<b>-</b>	<b>918.79</b>
Balance as at 1 April 2020	918.79	-	918.79
Amortisation for the year	669.22	-	669.22
<b>Balance as at 31 March 2021</b>	<b>1,588.01</b>	<b>-</b>	<b>1,588.01</b>
Amortisation for the period (Refer Note 43(C) to Annexure VI)	-	-	-
<b>Balance as at 30 September 2021</b>	<b>1,588.01</b>	<b>-</b>	<b>1,588.01</b>
<b>Balance as at 1 April 2021</b>	<b>1,588.01</b>	<b>-</b>	<b>1,588.01</b>
Amortisation for the year (Refer Note 43(C) to Annexure VI)	-	-	-
<b>Balance as at 31 March 2022</b>	<b>1,588.01</b>	<b>-</b>	<b>1,588.01</b>
Amortisation for the period	-	-	-
<b>Balance as at 30 September 2022</b>	<b>1,588.01</b>	<b>-</b>	<b>1,588.01</b>
<b>Carrying amounts (net)</b>			
<b>As at 30 September 2022</b>	<b>5,308.46</b>	<b>125.85</b>	<b>5,434.31</b>
<b>As at 30 September 2021</b>	<b>5,119.69</b>	<b>125.85</b>	<b>5,245.54</b>
<b>As at 31 March 2022</b>	<b>5,308.46</b>	<b>125.85</b>	<b>5,434.31</b>
<b>As at 31 March 2021</b>	<b>5,119.69</b>	<b>125.85</b>	<b>5,245.54</b>
<b>As at 31 March 2020</b>	<b>5,788.91</b>	<b>125.85</b>	<b>5,914.76</b>

(i) The Group has not carried out any revaluation of its Goodwill.

(ii) Refer Note 42 to Annexure VI for the impairment assessment carried out by the Management

(iii) Refer Note 43(C) to Annexure VI 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 43(C) to Annexure VI

5 Other intangible assets and Intangible assets under development

Particulars	Computer software	Internally developed softwares	Customer relationships	Trademarks	Non-compet agreement	Total Other Intangible assets	Internally developed intangibles assets under development*	Intangible assets under development	Total Intangibles under development
<b>Gross carrying amount</b>									
<b>Balance as at 31 March 2019</b>	<b>96.32</b>	-	-	-	-	<b>96.32</b>	-	-	-
Acquired through business combinations (Refer Note 43(B) to Annexure VI)	1.65	-	218.98	-	-	220.63	-	-	-
Additions	25.83	-	-	-	-	25.83	-	11.05	11.05
Disposal <sup>^</sup>	-	-	-	-	-	-	-	(10.22)	(10.22)
Exchange differences on translation of foreign operations	0.01	-	-	-	-	0.01	-	-	-
<b>Balance as at 31 March 2020</b>	<b>123.81</b>	-	<b>218.98</b>	-	-	<b>342.79</b>	-	<b>0.83</b>	<b>0.83</b>
Additions	91.26	125.01	-	-	-	216.27	16.68	31.31	47.99
Disposal <sup>^</sup>	-	-	-	-	-	-	-	(23.71)	(23.71)
<b>Balance as at 31 March 2021</b>	<b>215.07</b>	<b>125.01</b>	<b>218.98</b>	-	-	<b>559.06</b>	<b>16.68</b>	<b>8.43</b>	<b>25.11</b>
Additions	1.00	11.10	-	-	-	12.10	126.57	4.60	131.17
Disposal <sup>^</sup>	-	-	-	-	-	-	(11.10)	-	(11.10)
<b>Balance as at 30 September 2021</b>	<b>216.07</b>	<b>136.11</b>	<b>218.98</b>	-	-	<b>571.16</b>	<b>132.15</b>	<b>13.03</b>	<b>145.18</b>
<b>Balance as at 1 April 2021</b>	<b>215.07</b>	<b>125.01</b>	<b>218.98</b>	-	-	<b>559.06</b>	<b>16.68</b>	<b>8.43</b>	<b>25.11</b>
Acquired through business combinations (Refer Note 43(C) to Annexure VI)	12.64	-	13.91	43.49	39.33	109.37	-	-	-
Additions	68.77	82.25	-	-	-	151.02	367.52	49.95	417.47
Disposal <sup>^</sup>	-	-	-	-	-	-	(82.24)	(20.90)	(103.14)
<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	17.54	242.90	-	-	-	260.44	148.21	25.97	174.18
Disposal <sup>^</sup>	-	-	-	-	-	-	(242.90)	(6.94)	(249.84)
<b>Balance as at 30 September 2022</b>	<b>314.02</b>	<b>450.16</b>	<b>232.89</b>	<b>43.49</b>	<b>39.33</b>	<b>1,079.89</b>	<b>207.27</b>	<b>56.51</b>	<b>263.78</b>
<b>Accumulated amortisation</b>									
<b>Balance as at 31 March 2019</b>	<b>10.84</b>	-	-	-	-	<b>10.84</b>	-	-	-
Amortisation for the year	25.58	-	17.02	-	-	42.60	-	-	-
<b>Balance as at 31 March 2020</b>	<b>36.42</b>	-	<b>17.02</b>	-	-	<b>53.44</b>	-	-	-
Amortisation for the year	30.68	3.13	43.75	-	-	77.56	-	-	-
<b>Balance as at 31 March 2021</b>	<b>67.10</b>	<b>3.13</b>	<b>60.77</b>	-	-	<b>131.00</b>	-	-	-
Amortisation for the period	20.62	10.36	21.93	-	-	52.91	-	-	-
<b>Balance as at 30 September 2021</b>	<b>87.72</b>	<b>13.49</b>	<b>82.70</b>	-	-	<b>183.91</b>	-	-	-
<b>Balance as at 1 April 2021</b>	<b>67.10</b>	<b>3.13</b>	<b>60.77</b>	-	-	<b>131.00</b>	-	-	-
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>110.05</b>	<b>26.21</b>	<b>104.72</b>	<b>1.22</b>	<b>1.14</b>	<b>243.34</b>	-	-	-
Amortisation for the period	29.84	24.44	22.68	0.77	1.97	79.70	-	-	-
<b>Balance as at 30 September 2022</b>	<b>139.89</b>	<b>50.65</b>	<b>127.40</b>	<b>1.99</b>	<b>3.11</b>	<b>323.04</b>	-	-	-

^ Disposals with respect to internally developed intangible assets under development represents transfer to internally developed softwares by way of capitalisation and disposals with respect to intangible assets under development represents capitalisation to computer softwares.

\*Intangible assets under development represents internally developed softwares for business purposes.

Carrying amounts (net)

As at 30 September 2022	174.13	399.51	105.49	41.50	36.22	756.85	207.27	56.51	263.78
As at 30 September 2021	128.35	122.62	136.28	-	-	387.25	132.15	13.03	145.18
As at 31 March 2022	186.43	181.05	128.17	42.27	38.19	576.11	301.96	37.48	339.44
As at 31 March 2021	147.97	121.88	158.21	-	-	428.06	16.68	8.43	25.11
As at 31 March 2020	87.39	-	201.96	-	-	289.35	-	0.83	0.83

Ageing of Intangibles under development is as under:

Particular	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
<b>As at 30 September 2022</b>					
Projects in progress	219.33	44.45	-	-	263.78
Projects temporarily suspended	-	-	-	-	-
<b>As at 30 September 2021</b>					
Projects in progress	145.18	-	-	-	145.18
Projects temporarily suspended	-	-	-	-	-
<b>As at 31 March 2022</b>					
Projects in progress	316.37	23.07	-	-	339.44
Projects temporarily suspended	-	-	-	-	-
<b>As at 31 March 2021</b>					
Projects in progress	25.11	-	-	-	25.11
Projects temporarily suspended	-	-	-	-	-
<b>As at 31 March 2020</b>					
Projects in progress	0.83	-	-	-	0.83
Projects temporarily suspended	-	-	-	-	-

Projects whose completion is overdue/ exceeded the cost compared to its original plan :-

Particular	To be completed in				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
<b>As at 30 September 2022</b>					
Project 1	7.76	-	-	-	7.76
Project 2	42.93	-	-	-	42.93
Project 3	3.60	-	-	-	3.60
Project 4	6.16	-	-	-	6.16
Project 5	2.90	-	-	-	2.90
Project 6	3.09	-	-	-	3.09
Project 7	3.63	-	-	-	3.63
Project 8	1.11	-	-	-	1.11
<b>As at 31 March 2022</b>					
No such projects	-	-	-	-	-
<b>As at 30 September 2021</b>					
No such projects	-	-	-	-	-
<b>As at 31 March 2021</b>					
No such projects	-	-	-	-	-
<b>As at 31 March 2020</b>					
No such projects	-	-	-	-	-

Note:

- (a) The Group has not carried out any revaluation of its Other intangible assets.  
(b) There are no projects where completion is overdue and which has exceeded its cost compared to its original plan other than those disclosed above.

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')****Annexure VI : Notes to Restated Consolidated Financial Information***(All amounts are in INR millions, unless otherwise stated)***6 Leases****A Transition Note**

A new lease standard, Ind AS 116 has been issued and adopted effectively from 1 April 2019, which provides guidelines for the accounting of the lease contracts entered in the capacity of a lessee and a lessor. For the purpose of preparation of Restated Consolidated Financial Information, 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 Restated Consolidated Financial Information, Ind AS 116 has been adopted with effect from 1 April 2018 following modified retrospective method (i.e. on 1 April 2018 the Group measured the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate and a 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 nature and effect of the changes as a result of adoption of Ind AS 116 is described below.

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases - Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Group has applied the standard to all lease contracts existing on 1 April 2018 using the modified retrospective method and has measured the Right-Of-Use Asset (ROU) at an amount equal to the Lease Liability adjusted for accruals and prepayments recognised in the balance sheet immediately before the date of initial application. Further, the Group has elected not to apply the requirements of Ind AS 116 "Leases" to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term except inflation adjustment. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the date of transition (i.e. 1 April 2018). The incremental borrowing rate of 9% per annum has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

The Group has taken various premises on lease for undertaking its business of financial services.

**B** Following are the changes in the carrying values of right of use assets:

Particulars	Category of ROU Assets	
	Assets	Premises
<b>Balance as at 31 March 2019</b>		<b>324.05</b>
Ind AS 116 transition adjustment (Refer Note A above)		(34.81)
<b>Balance as at 1 April 2019</b>		<b>289.24</b>
Additions		159.93
Deletions		-
Exchange difference on translation of foreign operations		0.59
<b>Balance as at 31 March 2020</b>		<b>449.76</b>
Additions		99.06
Prepayments		2.35
Deletions		(28.08)
Exchange difference on translation of foreign operations		(0.50)
<b>Balance as at 31 March 2021</b>		<b>522.59</b>
Additions		16.73
Prepayments		-
Deletions		(7.29)
Exchange difference on translation of foreign operations		0.12
<b>Balance as at 30 September 2021</b>		<b>532.15</b>
<b>Balance as at 1 April 2021</b>		522.59
Additions		134.76
Prepayments		-
Deletions		(24.38)
Exchange difference on translation of foreign operations		0.14
<b>Balance as at 31 March 2022</b>		<b>633.11</b>
Additions		118.65
Prepayments		4.20
Deletions		(155.06)
Exchange difference on translation of foreign operations		0.36
<b>Balance as at 30 September 2022</b>		<b>601.26</b>
<b>Accumulated depreciation</b>		
<b>Balance as at 1 April 2019</b>		-
Depreciation for the year		84.26
Exchange difference on translation of foreign operations		0.19
Disposal		-
<b>Balance as at 31 March 2020</b>		<b>84.45</b>
Depreciation for the year		110.71
Exchange difference on translation of foreign operations		(0.08)
Disposal		(9.38)
<b>Balance as at 31 March 2021</b>		<b>185.70</b>
Depreciation for the period		54.88
Exchange difference on translation of foreign operations		0.09
Disposal		-
<b>Balance as at 30 September 2021</b>		<b>240.67</b>
<b>Balance as at 1 April 2021</b>		<b>185.70</b>
Depreciation for the year		114.28
Exchange difference on translation of foreign operations		(0.06)
Disposal		(4.12)
<b>Balance as at 31 March 2022</b>		<b>295.80</b>
Depreciation for the period		63.26
Exchange difference on translation of foreign operations		0.58
Disposal		(77.76)
<b>Balance as at 30 September 2022</b>		<b>281.88</b>

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')**
**Annexure VI : Notes to Restated Consolidated Financial Information**
*(All amounts are in INR millions, unless otherwise stated)*
**6 Leases (continued)**
**Carrying amounts**

<b>Balance as at 30 September 2022</b>	<b>319.38</b>
<b>Balance as at 30 September 2021</b>	<b>291.48</b>
<b>Balance as at 31 March 2022</b>	<b>337.31</b>
<b>Balance as at 31 March 2021</b>	<b>336.89</b>
<b>Balance as at 31 March 2020</b>	<b>365.31</b>

The aggregate depreciation expense for the year on ROU assets is included under depreciation and amortization expense in the Restated Consolidated Statement of Profit and Loss.

**C The following is the rental expense recorded for short-term leases, variable leases and low value leases.**

<b>Particulars</b>	<b>For the six months period ended 30 September 2022</b>	<b>For the six months period ended 30 September 2021</b>	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
Short-term lease expense	19.60	16.27	30.10	59.81	50.78
Low value lease expense	-	-	-	-	-
Variable lease expense	-	-	-	-	-
<b>Total</b>	<b>19.60</b>	<b>16.27</b>	<b>30.10</b>	<b>59.81</b>	<b>50.78</b>

**D Following are the changes in the lease liabilities:**

<b>Particulars</b>	<b>As at 30 September 2022</b>	<b>As at 30 September 2021</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Opening balance</b>	<b>371.50</b>	<b>363.89</b>	<b>363.89</b>	<b>378.04</b>	<b>288.72</b>
Ind AS 116 transition adjustment	-	-	-	-	0.52
<b>Restated balance</b>	<b>371.50</b>	<b>363.89</b>	<b>363.89</b>	<b>378.04</b>	<b>289.24</b>
Additions	122.85	16.73	134.76	99.06	153.84
Exchange differences on translation of foreign operations	0.01	0.05	0.06	(0.40)	0.40
Finance cost accrued during the year	15.15	15.23	30.89	36.36	25.66
Deletions	(90.18)	(8.00)	(24.44)	(19.59)	-
Payment of lease liabilities	(72.20)	(64.80)	(132.79)	(117.78)	(91.10)
Rent concession	-	(0.30)	(0.87)	(11.80)	-
<b>Closing balance</b>	<b>347.13</b>	<b>322.80</b>	<b>371.50</b>	<b>363.89</b>	<b>378.04</b>
Current lease liabilities	89.35	107.71	120.93	101.24	96.43
Non-current lease liabilities	257.78	215.09	250.57	262.65	281.61

**E The following are the amounts recognised in Restated Consolidated Statement of Profit and Loss**

<b>Particulars</b>	<b>For the six months period ended 30 September 2022</b>	<b>For the six months period ended 30 September 2021</b>	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
Depreciation on Right-of-use assets (Refer Note 31 to Annexure VI)	63.26	54.88	114.28	110.71	84.26
Unwinding of interest on lease liabilities (Refer Note 30 to Annexure VI)	15.15	15.23	30.89	36.36	25.66
	<b>78.41</b>	<b>70.11</b>	<b>145.17</b>	<b>147.07</b>	<b>109.92</b>

**F The following is the cash outflow on leases:**

<b>Particulars</b>	<b>For the six months period ended 30 September 2022</b>	<b>For the six months period ended 30 September 2021</b>	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
Payment of lease liabilities	57.05	49.57	101.90	81.42	65.44
Interest on lease liabilities	15.15	15.23	30.89	36.36	25.66
<b>Total cash outflow on leases</b>	<b>72.20</b>	<b>64.80</b>	<b>132.79</b>	<b>117.78</b>	<b>91.10</b>

**G The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:**

<b>Particulars</b>	<b>As at 30 September 2022</b>	<b>As at 30 September 2021</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Less than 1 year	111.18	131.39	145.55	131.56	123.27
1 to 5 years	255.86	216.34	222.00	255.64	287.78
Over 5 years	74.57	41.46	84.78	54.86	44.65

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')****Annexure VI : Notes to Restated Consolidated Financial Information***(All amounts are in INR millions, unless otherwise stated)*

Particulars	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
<b>7 Other non-current financial assets</b>					
Rental deposits	24.30	37.73	52.88	45.72	45.07
Electricity deposits	3.93	5.34	5.24	5.27	5.26
Telephone deposits	0.07	0.06	0.07	0.11	0.10
Bank deposits (due to mature after 12 months from balance sheet date)*	0.96	0.48	3.29	0.95	3.48
	<b>29.26</b>	<b>43.61</b>	<b>61.48</b>	<b>52.05</b>	<b>53.91</b>
* represents fixed deposits amounting to INR 0.96 million (30 September 2021: INR 0.47 million; 31 March 2022: INR 3.28 million; 31 March 2021: INR 0.95 million and 31 March 2020: INR 3.48 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 interest rate risks are disclosed in Note 40 to Annexure VI.					
<b>8 Non-current tax assets (net)</b>					
Advance income-tax including tax deducted at source*	375.25	360.14	369.45	339.57	330.97
	<b>375.25</b>	<b>360.14</b>	<b>369.45</b>	<b>339.57</b>	<b>330.97</b>
* Net of provision for tax as at 30 September 2022: INR 464.30 million; 30 September 2021: INR 464.30 million; 31 March 2022: INR 464.30 million; 31 March 2021: INR 464.30 million and 31 March 2020: INR 78.26 million.					
<b>9 Other non-current assets</b>					
<i>(Unsecured considered good)</i>					
Capital advances	2.24	0.30	0.45	0.40	-
Prepayments	10.71	17.17	11.59	21.45	3.64
	<b>12.95</b>	<b>17.47</b>	<b>12.04</b>	<b>21.85</b>	<b>3.64</b>

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

**Annexure VI : Notes to Restated Consolidated Financial Information**

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

Particulars	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
<b>11 Trade receivables</b>					
(a) Trade receivables considered good - secured	-	-	-	-	-
(b) Trade receivables considered good - unsecured	1,607.72	1,218.67	1,327.36	1,250.24	1,012.31
(c) Trade receivables which have significant increase in credit risk	-	-	-	-	-
(d) Trade receivables - credit impaired	-	-	-	-	-
<b>Total</b>	<b>1,607.72</b>	<b>1,218.67</b>	<b>1,327.36</b>	<b>1,250.24</b>	<b>1,012.31</b>
Allowance for credit loss	(188.11)	(167.96)	(201.40)	(144.32)	(129.13)
<b>Total trade receivables</b>	<b>1,419.61</b>	<b>1,050.71</b>	<b>1,125.96</b>	<b>1,105.92</b>	<b>883.18</b>
<b>Movements in the provision for credit impaired trade receivables are as follows:</b>					
Opening balance	201.40	144.32	144.32	129.13	80.47
Balance transfer of loss allowance of retention money	-	-	-	11.81	-
Provision for loss allowance	(6.79)	23.64	57.08	3.38	48.66
Less: Provision utilised during the period	(6.50)	-	-	-	-
<b>Closing balance</b>	<b>188.11</b>	<b>167.96</b>	<b>201.40</b>	<b>144.32</b>	<b>129.13</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. 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. Management also makes specific provision in cases where there are known specific risks of customer default in making the repayments.

**Ageing of gross trade receivable as at 30 September 2022 is as under:**

Particulars	Unbilled	Not due	Outstanding for following period from the due date of receipt					Total
			Less than 6 months	6 months to 1 year	1 to 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	142.47	804.53	421.87	67.67	71.48	37.82	61.88	1,607.72
(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 gross trade receivable as at 30 September 2021 is as under:**

Particulars	Unbilled	Not due	Outstanding for following period from the due date of receipt					Total
			Less than 6 months	6 months to 1 year	1 to 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	80.41	696.73	252.98	63.24	51.30	24.61	49.40	1,218.67
(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	-	-	-	-	-	-	-	-

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')**  
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*(All amounts are in INR millions, unless otherwise stated)*

Particulars	As at		As at		As at		As at	
	30 September 2022		30 September 2021		31 March 2022		31 March 2021	

**11 Trade receivables (continued)**

**Ageing of gross trade receivable as at 31 March 2022 is as under:**

Particulars	Unbilled	Not due	Outstanding for following period from the due date of receipt					Total
			Less than 6 months	6 months to 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	-	-	-	-	-	-	-	-

**Ageing of gross trade receivable as at 31 March 2021 is as under:**

Particulars	Unbilled	Not due	Outstanding for following period from the due date of receipt					Total
			Less than 6 months	6 months to 1 year	1 to 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	79.90	493.46	323.72	84.48	61.55	207.13	-	1,250.24
(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 gross trade receivable as at 31 March 2020 is as under:**

Particulars	Unbilled	Not due	Outstanding for following period from the due date of receipt					Total
			Less than 6 months	6 months to 1 year	1 to 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	94.79	396.14	153.01	74.28	294.09	-	-	1,012.31
(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 acquired as part of amalgamation is considered from the date of amalgamation (Refer Note 43 to Annexure VI).

There are no trade receivables 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 and currency risks and loss allowances related to trade receivables are disclosed in Note 40 to Annexure VI

**12 Cash and cash equivalents**

Cash on hand	0.13	0.14	0.14	0.21	0.39
Balance with banks:					
(i) in current accounts*	355.00	214.68	424.96	229.05	116.23
(ii) in deposit	67.61	69.76	25.23	-	-
	<b>422.74</b>	<b>284.58</b>	<b>450.33</b>	<b>229.26</b>	<b>116.62</b>

\* Includes stamp duty amount received from customers amounting to INR 63.60 million; (30 September 2021: INR 65.02 million; 31 March 2022: INR 74.20 million; 31 March 2021: INR 90.81 million and 31 March 2020: Nil) for the purpose of onward remittance of the same to the respective states Registration & Stamps Department. (Refer Note 23).

The Group's exposure to credit risk and interest rate risk are disclosed in Note 40 to Annexure VI

**13 Bank balances other than cash and cash equivalents**

Bank balance in deposit accounts (having original maturity of more than 3 months but less than 12 months from reporting date)*	1.56	5.16	1.53	5.43	61.56
	<b>1.56</b>	<b>5.16</b>	<b>1.53</b>	<b>5.43</b>	<b>61.56</b>

\* Includes fixed deposits amounting to INR 1.56 million (30 September 2021: INR 4.31 million; 31 March 2022: INR 1.23 million; 31 March 2021: INR 4.61 million and 31 March 2020: INR 27.16 million) which is not freely remissible because of contractual restrictions.

The Group's exposure to interest rate risk are disclosed in Note 40 to Annexure VI



**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')**  
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*(All amounts are in INR millions, unless otherwise stated)*

Particulars	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
<b>14 Loans</b>					
<i>Unsecured, considered good</i>					
Loans to employees	-	2.40	1.41	2.69	3.45
	<b>-</b>	<b>2.40</b>	<b>1.41</b>	<b>2.69</b>	<b>3.45</b>
<b>Break up of security details</b>					
(a) Loans considered good - Secured	-	-	-	-	-
(b) Loans considered good - Unsecured	-	2.40	1.41	2.69	3.45
(c) Loans which have significant increase in Credit Risk	-	-	-	-	-
(d) Loans - credit impaired	-	-	-	-	-
<b>Total current loans</b>	<b>-</b>	<b>2.40</b>	<b>1.41</b>	<b>2.69</b>	<b>3.45</b>
The Group's exposure to credit risk are disclosed in Note 40 to Annexure VI					
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.					
<b>15 Other current financial assets</b>					
<i>Unsecured, Considered good</i>					
Retention money receivable	-	-	-	-	72.41
Rental deposits	27.19	8.89	6.68	0.93	0.92
Stamp duty receivables (Refer Note 23 to Annexure VI)	99.23	53.76	94.61	98.52	-
Insurance claims receivable	-	-	-	-	-
Other receivables	13.27	5.17	2.74	4.13	5.73
IPO related expenses (Refer Note 48 to Annexure VI)	162.64	-	84.72	-	-
Others	4.88	1.54	1.73	14.55	-
	<b>307.21</b>	<b>69.36</b>	<b>190.48</b>	<b>118.13</b>	<b>79.06</b>
<i>Unsecured, Considered doubtful</i>					
Retention money receivable	-	-	-	-	11.81
Other receivables	6.82	5.61	5.61	5.61	-
	<b>6.82</b>	<b>5.61</b>	<b>5.61</b>	<b>5.61</b>	<b>11.81</b>
Less: Allowance for credit loss					
Other receivables	(6.82)	(5.61)	(5.61)	(5.61)	(11.81)
	<b>(6.82)</b>	<b>(5.61)</b>	<b>(5.61)</b>	<b>(5.61)</b>	<b>(11.81)</b>
	<b>307.21</b>	<b>69.36</b>	<b>190.48</b>	<b>118.13</b>	<b>79.06</b>
<b>Movements in allowance for credit loss of other current financial assets are as follows:</b>					
Opening balance	5.61	5.61	5.61	11.81	11.81
Balance transferred to allowance for credit loss on trade receivables	-	-	-	(11.81)	-
Allowance for credit loss created	1.21	-	-	5.61	-
Closing balance	<b>6.82</b>	<b>5.61</b>	<b>5.61</b>	<b>5.61</b>	<b>11.81</b>
The Group's exposure to credit risks are disclosed in Note 40 to Annexure VI.					
<b>16 Other current assets</b>					
Advances to vendors for supply of goods/ services	40.18	16.76	23.91	23.70	15.75
Balance with government authorities	1.79	1.49	2.24	0.82	-
Prepayments	83.84	86.56	62.46	51.63	31.05
Advances to employees	5.42	2.27	0.85	5.15	6.15
	<b>131.23</b>	<b>107.08</b>	<b>89.46</b>	<b>81.30</b>	<b>52.95</b>

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')**  
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*(All amounts are in INR millions, unless otherwise stated)*

**10 A) Investments - Non current**

Particulars	Number of shares/ units					Amount in INR millions				
	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at
	30 September 2022	30 September 2021	31 March 2022	31 March 2021	31 March 2020	30 September 2022	30 September 2021	31 March 2022	31 March 2021	31 March 2020
<b>A) Investments in equity instruments of other companies - Unquoted at FVTPL*</b>										
Equity shares of Artivatic Data Labs Private Limited, INR 1 each fully paid-up	-	3,511	-	-	-	-	7.50	-	-	-
<b>B) Investments in CCPS of other companies - Unquoted at FVTPL*</b>										
0.0001% Compulsory Convertible Preference Shares of Artivatic Data Labs Private Limited, INR 1 each fully paid-up	-	15,214	-	-	-	-	39.60	-	-	-
							<b>47.10</b>			

Aggregate amount of un-quoted current investments and value thereof

- 47.10 - - -

Aggregate amount of impairment in value of investments

- - - - -

\* On 23 March 2021, the Subsidiary Company entered into an agreement to invest in Artivatic Data Labs Private Limited by subscribing to 3,511 equity shares of INR 1 each fully paid-up and 31,599 Compulsory Convertible Preference Shares (convertible into equity share in the ratio of 1:1) having a face value of INR 1 for a total consideration of INR 75.00 million, collectively comprising of 17% holding of Artivatic Data Labs Private Limited.

During the FY 2021-2022, the Subsidiary Company made a total investment of INR 44.00 million (of which INR 40.00 million was invested prior to the period ended 30 September 2021) towards purchase of equity and preference shares of Artivatic Data Labs Private Limited. It has further incurred transaction costs of INR 7.34 million (of which INR 7.10 million transaction costs was incurred prior to the period ended 30 September 2021). Subsequently, during the same year these investments were disposed for an amount of INR 44.00 million and accordingly the amount of INR 7.34 million has been charged to Consolidated Statement of profit and loss of FY 2021-2022.

Also Refer Note 54 to Annexure VI

**10 C) Investments - current**

Particulars	Number of shares/ units					Amount in INR millions				
	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at
	30 September 2022	30 September 2021	31 March 2022	31 March 2021	31 March 2020	30 September 2022	30 September 2021	31 March 2022	31 March 2021	31 March 2020
<b>Investments in equity instruments of other companies</b>										
<b>A) Quoted - at FVTPL</b>										
Equity shares of Petronet LNG Limited INR 10 each fully paid	-	1,294,489	-	1,294,489	-	-	290.81	-	290.81	-
	-	<b>1,294,489</b>	-	<b>1,294,489</b>	-	-	<b>290.81</b>	-	<b>290.81</b>	-
<b>Investments in mutual funds - quoted - at FVTPL</b>										
DSP Blackrock Liquidity Fund - Regular Plan -Daily Dividend	66,884	64,523	65,538	63,611	12,128	66.95	64.58	65.60	63.67	12.14
L&T Liquid Fund - Regular Liquid Daily Dividend Reinvestment Plan	180,140	153,843	136,979	53,014	22,310	182.73	155.66	138.94	53.64	22.72
TATA Liquid Fund Regular Plan - Daily Dividend	216,110	164,192	152,643	114,164	8,387	216.44	164.44	152.88	114.34	8.40
Kotak Liquid Regular Plan Daily Dividend	171,246	139,703	115,048	92,549	8,193	209.40	170.83	140.68	113.17	10.02
HDFC Liquid Fund-Regular Plan Daily Dividend Reinvestment	209,745	154,523	122,848	93,156	11,603	213.90	157.59	125.28	95.00	11.83
ICICI Prudential Liquid Fund - Daily Dividend	1,934,383	1,626,143	1,472,968	1,027,309	193,041	193.65	162.86	147.46	102.88	19.33
Franklin India Liquid Fund - Super Institutional Plan, Daily Dividend Plan	-	-	-	-	23,957	-	-	-	-	23.96
SBI Liquid Fund - Regular Daily Dividend	194,820	150,352	148,753	111,271	27,097	214.34	158.68	159.99	115.58	27.04
						<b>1,297.41</b>	<b>1,034.64</b>	<b>930.83</b>	<b>658.28</b>	<b>135.44</b>
						<b>1,297.41</b>	<b>1,325.45</b>	<b>930.83</b>	<b>949.09</b>	<b>135.44</b>

Aggregate amount of quoted current investments and market value thereof

1,297.41 1,325.45 930.83 949.09 135.44

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.

The Group exposure to credit risk is given in Note 40 to Annexure VI.

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

**Annexure VI : Notes to Restated Consolidated Financial Information**

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

**17 Equity share capital**

Particulars	As at	As at	As at	As at	As at
	30 September 2022	30 September 2021	31 March 2022	31 March 2021	31 March 2020
<b>Authorised share capital</b>					
(a) 175,980,000 (30 September 2021: 176,000,000; 31 March 2022: 175,980,000; 31 March 2021: 176,000,000; 31 March 2020: 176,000,000 ) equity shares of INR10 each	1,759.80	1,760.00	1,759.80	1,760.00	1,760.00
(b) 1,000 (30 September 2021: Nil; 31 March 2022: 1,000; 31 March 2021: Nil; 31 March 2020: Nil) non-convertible redeemable preference shares (RPS) of INR 200 each	0.20	-	0.20	-	-
	<b>1,760.00</b>	<b>1,760.00</b>	<b>1,760.00</b>	<b>1,760.00</b>	<b>1,760.00</b>
<b>Issued, subscribed and paid-up</b>					
(a) 167,568,883 (30 September 2021: 150,843,583; 31 March 2022: 167,568,883; 31 March 2021: 150,843,583; 31 March 2020: 150,843,583) equity shares of INR. 10 each, fully paid-up	1,675.69	1,508.43	1,675.69	1,508.43	1,508.43
(b) 1,000 (30 September 2021: Nil; 31 March 2022: 1,000; 31 March 2021: Nil; 31 March 2020: Nil) RPS of INR 200 each (Refer Note 19 to Annexure VI)	-	-	-	-	-
	<b>1,675.69</b>	<b>1,508.43</b>	<b>1,675.69</b>	<b>1,508.43</b>	<b>1,508.43</b>

**a. Terms and rights attached to equity shares:-**

The Parent Company has a single class of equity shares having a par value of INR. 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. In financial year 2021-22, the Parent Company and its shareholders have entered into a 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 19 to Annexure VI.

**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, of the Company, Refer Note 45 to Annexure VI.

**b. Reconciliation of number of equity shares of INR. 10 each, fully paid up outstanding at the beginning and at the end of the year:**

Particulars	As at 30 September 2022		As at 30 September 2021		As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Opening balance	167,568,883	1,675.69	150,843,583	1,508.43	150,843,583	1,508.43	150,843,583	1,508.43	165,831,429	1,658.31
Shares issued during the period/ year	-	-	-	-	16,725,100	167.25	-	-	-	-
Shares issued during the year under Employee Stock Option Plan ('ESOP') (Refer Note 45 to Annexure VI)	-	-	-	-	200	0.01	-	-	-	-
Shares cancelled during the year (Refer Note (i) below)	-	-	-	-	-	-	-	-	(14,987,846)	(149.88)
<b>Shares outstanding at the end of the period/ year</b>	<b>167,568,883</b>	<b>1,675.69</b>	<b>150,843,583</b>	<b>1,508.43</b>	<b>167,568,883</b>	<b>1,675.69</b>	<b>150,843,583</b>	<b>1,508.43</b>	<b>150,843,583</b>	<b>1,508.43</b>

**Note:**

(i) In FY 2019-2020, the Board of Directors and shareholders of the Parent Company, vide their meetings held on 27 September 2019 and 30 September 2019 respectively, have approved the buy back of 14,987,846 equity shares of the Parent Company at a price of INR 74.25 per equity share (including share premium of INR. 64.25 per equity share). The buy back process was completed by the Parent Company in October 2019. Accordingly, the Company has extinguished 14,987,846 equity shares for an aggregate purchase price of INR 1,112.85 million. The aggregate face value of the equity shares bought back was INR 149.88 million. Accordingly, the Parent Company has reduced share capital by INR 149.88 million and the balance amount of INR 962.97 million has been debited to Securities Premium. As per the requirements of the Companies Act, 2013, the Parent Company has created a Capital Redemption Reserve (CRR) equal to INR 149.88 million. The CRR has been created out of the balance in the Securities Premium. The buy back tax amounting to INR 43.97 million paid by the Parent Company has also been debited to Securities Premium.

17 Equity share capital (continued)

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 30 September 2022		As at 30 September 2021		As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage
<b>Equity shares of INR 10 each fully paid up, held by:</b>										
General Atlantic Singapore Fund Pte Ltd (Holding Company)	125,580,400	74.94%	125,580,400	83.25%	125,580,400	74.94%	125,580,400	83.25%	125,580,400	83.25%
General Atlantic Singapore KFT Pte Ltd (Subsidiary of Holding Company)	1,608,503	0.96%	1,608,503	1.07%	1,608,503	0.96%	-	-	-	-
<b>Total</b>	<b>127,188,903</b>	<b>75.90%</b>	<b>127,188,903</b>	<b>84.32%</b>	<b>127,188,903</b>	<b>75.90%</b>	<b>125,580,400</b>	<b>83.25%</b>	<b>125,580,400</b>	<b>83.25%</b>

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

Particulars	As at 30 September 2022		As at 30 September 2021		As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage
<b>Equity shares of INR 10 each fully paid up, held by:</b>										
General Atlantic Singapore Fund Pte Ltd	125,580,400	74.94%	125,580,400	83.25%	125,580,400	74.94%	125,580,400	83.25%	125,580,400	83.25%
Compar Estates and Agencies Pvt Ltd	18,414,296	10.99%	18,414,296	12.21%	18,414,296	10.99%	18,414,296	12.21%	18,414,296	12.21%
Kotak Mahindra Bank Limited	16,725,100	9.98%	-	-	16,725,100	9.98%	-	-	-	-
<b>Total</b>	<b>160,719,796</b>	<b>95.91%</b>	<b>143,994,696</b>	<b>95.46%</b>	<b>160,719,796</b>	<b>95.91%</b>	<b>143,994,696</b>	<b>95.46%</b>	<b>143,994,696</b>	<b>95.46%</b>

e. Shares held by promoters at the end of the period/ year:

Promoter name	As at 30 September 2022			As at 30 September 2021			As at 31 March 2022			As at 31 March 2021			As at 31 March 2020		
	Number of shares	Percentage of total shares	% of change during the year	Number of shares	Percentage of total shares	% of change during the year	Number of shares	Percentage of total shares	% of change during the year	Number of shares	Percentage of total shares	% of change during the year	Number of shares	Percentage of total shares	% of change during the year
<b>Equity shares of INR 10 each fully paid up, held by:</b>															
General Atlantic Singapore Fund Pte Ltd and its subsidiary	127,188,903	75.90%	0.00%	127,188,903	84.32%	1.28%	127,188,903	75.90%	-8.83%	125,580,400	83.25%	-	125,580,400	83.25%	100%
<b>Total</b>	<b>127,188,903</b>	<b>75.90%</b>		<b>127,188,903</b>	<b>84.32%</b>		<b>127,188,903</b>	<b>75.90%</b>		<b>125,580,400</b>	<b>83.25%</b>		<b>125,580,400</b>	<b>83.25%</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 INR.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.

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 as mentioned in Note 17(b)(i) to Annexure VI.

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.

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')**
**Annexure VI : Notes to Restated Consolidated Financial Information**
*(All amounts are in INR millions, unless otherwise stated)*

Particulars	Note	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
<b>18 Other equity</b>						
<b>Capital reserve</b>	<b>a</b>					
Balance at the beginning of the period/ year		0.10	0.10	0.10	0.10	0.10
Addition during the period/ year		-	-	-	-	-
<b>Balance at the end of the period/ year</b>		<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>
<b>Securities premium</b>	<b>b</b>					
Balance at the beginning of the period/ year		5,005.94	2,282.43	2,282.43	2,282.43	3,439.25
Add: Premium received upon issue of equity share capital		-	-	2,932.78	-	-
Less: Expenses incurred on issue of shares		-	-	(209.28)	-	-
Add: Transfer from share based payment reserves on exercise of stock options		-	-	0.01	-	-
Less: Utilised towards buy back of equity shares and creation of Capital redemption reserve (Refer Note 17(b)(i) to Annexure VI)		-	-	-	-	(1,112.85)
Less: Taxes paid on buy back of equity shares (Refer Note 17(b)(i) to Annexure VI)		-	-	-	-	(43.97)
<b>Balance at the end of the period/ year</b>		<b>5,005.94</b>	<b>2,282.43</b>	<b>5,005.94</b>	<b>2,282.43</b>	<b>2,282.43</b>
<b>Debenture redemption reserve (DRR)</b>	<b>c</b>					
Balance at the beginning of the period/ year		-	75.00	75.00	75.00	75.00
Add: Transfer to general reserve		-	-	(75.00)	-	-
<b>Balance at the end of the period/ year</b>		<b>-</b>	<b>75.00</b>	<b>-</b>	<b>75.00</b>	<b>75.00</b>
<b>Retained earnings</b>	<b>d</b>					
Balance at the beginning of the period/ year		(590.67)	(585.17)	(585.17)	56.34	23.76
Add: Profit/ (loss) for the period/ year		853.45	678.00	1,485.49	(645.07)	45.23
Add: Remeasurement of defined benefit obligation for the period/ year		8.13	11.12	(8.05)	3.56	(12.65)
Less: Premium payable on RPS recognised as financial liability (Refer Note 19 (ii) to Annexure VI)		-	(1,482.94)	(1,482.94)	-	-
<b>Balance at the end of the period/ year</b>		<b>270.91</b>	<b>(1,378.99)</b>	<b>(590.67)</b>	<b>(585.17)</b>	<b>56.34</b>
<b>Statutory reserve</b>	<b>e</b>					
Balance at the beginning of the period/ year		3.68	3.68	3.68	3.68	3.68
Add: Transfer during the period/ year		-	-	-	-	-
<b>Balance at the end of the period/ year</b>		<b>3.68</b>	<b>3.68</b>	<b>3.68</b>	<b>3.68</b>	<b>3.68</b>
<b>Foreign currency translation reserve</b>	<b>f</b>					
Balance at the beginning of the period/ year		3.30	0.72	0.72	3.09	(2.67)
Movement during the period/ year		0.89	0.81	2.58	(2.37)	5.76
<b>Balance at the end of the period/ year</b>		<b>4.19</b>	<b>1.53</b>	<b>3.30</b>	<b>0.72</b>	<b>3.09</b>
<b>Share based payment reserve</b>	<b>g</b>					
Balance at the beginning of the period/ year		120.51	28.97	28.97	16.81	-
Add: Charge for the period/ year		61.26	28.49	91.55	12.16	16.81
Less: Transferred to securities premium on exercise of stock options		-	-	(0.01)	-	-
<b>Balance at the end of the period/ year</b>		<b>181.77</b>	<b>57.46</b>	<b>120.51</b>	<b>28.97</b>	<b>16.81</b>
<b>Capital redemption reserve</b>	<b>h</b>					
Balance at the beginning of the period/ year		149.88	149.88	149.88	149.88	-
Add: Transferred during the period/ year (Refer Note 17(b)(i) to Annexure VI)		-	-	-	-	149.88
<b>Balance at the end of the period/ year</b>		<b>149.88</b>	<b>149.88</b>	<b>149.88</b>	<b>149.88</b>	<b>149.88</b>
<b>General reserve</b>	<b>i</b>					
Balance at the beginning of the period/ year		75.00	-	-	-	-
Add: Transferred during the period from DRR (Refer Note 18(c) and 18(i)) to Annexure VI		-	-	75.00	-	-
<b>Balance at the end of the period/ year</b>		<b>75.00</b>	<b>-</b>	<b>75.00</b>	<b>-</b>	<b>-</b>
<b>Total other equity (a+b+c+d+e+f+g+h+i)</b>		<b>5,691.47</b>	<b>1,191.09</b>	<b>4,767.74</b>	<b>1,955.61</b>	<b>2,587.33</b>

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

**Annexure VI : Notes to Restated Consolidated Financial Information**

*(All amounts are in INR millions, unless otherwise stated)*

**18 Other equity (continued)**

**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 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 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.

Other Comprehensive Income comprises of :

**Remeasurement of defined benefit plans**

Remeasurement of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:

(a) actuarial gains and losses

(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

(d) tax effect of the above adjustments

**(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.

**(f) 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.

**(g) Share-based payment reserve**

The Parent Company has established various equity-settled share based payments plans for certain categories of employees of the Group. For further details of shares reserved for issue under the Employee Stock Options Plan, of the Company, Refer Note 45 to Annexure VI.

**(h) Capital redemption reserve**

Represents reserve created for cancellation of 14,987,846 equity shares bought back under buy back plan (Refer Note 17 to Annexure VI).

**(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 18(c) to Annexure VI)

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

**Annexure VI : Notes to Restated Consolidated Financial Information**

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

Particulars	As at	As at	As at	As at	As at
	30 September 2022	30 September 2021	31 March 2022	31 March 2021	31 March 2020
<b>19 Non-current borrowings</b>					
Non-convertible debentures (secured) - Refer Note (i) below	-	3,211.93	-	3,458.90	3,753.12
Less: Current maturities of long term debt (Refer note 21 to Annexure VI)	-	(660.00)	-	(520.00)	(320.00)
	-	<b>2,551.93</b>	-	<b>2,938.90</b>	<b>3,433.12</b>
Redeemable preference share (unsecured) (Refer Note (ii) below)	0.20	-	0.20	-	-
Premium payable on redemption of RPS (Refer Note (ii) below)	1,262.15	-	1,224.94	-	-
	<b>1,262.35</b>	-	<b>1,225.14</b>	-	-
	<b>1,262.35</b>	<b>2,551.93</b>	<b>1,225.14</b>	<b>2,938.90</b>	<b>3,433.12</b>

- (i) In FY 2018-2019, the Group had issued 4,000 Non-Convertible Debentures (NCDs) of INR 1,000,000 each to Nomura Singapore Limited and Standard Chartered Bank., Singapore for an amount of INR 4,000.00 million. Transaction costs amounting to INR 119.87 million had been netted off against the amount of NCDs. The NCDs are listed on the BSE Limited with effect from 29 November 2018. The NCDs were repayable in 10 half yearly instalments commencing from 30 September 2019 to 16 November 2023 and carry an interest rate of 11.5% per annum payable half yearly. The loan was utilised for the purpose for which is was raised. During FY 2021-2022, the Group has prepaid the entire NCD including interest and prepayment charges. The Group has incurred a prepayment charges of INR 84.71 million which is debited to the Restated Consolidated Statement of Profit and Loss as 'Other interest cost'. The Group has informed and obtained approval for delisting the NCDs from the BSE Limited.

**Security**

The debentures are secured by :

- (i) a first ranking exclusive charge by way of hypothecation on the Account Assets under the IPA Deed of Hypothecation;  
(ii) a first ranking charge by way of hypothecation on all the Group Assets under the Group Deed of Hypothecation.

**(ii) 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 INR 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 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 INR 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 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 Parent Company, under the existing Shareholders Agreement dated 3 August 2017 (as amended pursuant to a supplemental agreement dated 3 April 2020), the Parent Company was obligated for an amount of INR 1,640.00 million. The net amount payable after recovering, in terms of the said agreement, an indemnity of INR 300.00 million is INR 1,340.00 million payable after a period of two years i.e. on or after 25 October 2023. The Parent Company has issued Redeemable Preference Shares carrying maturity amount of INR 1,340.00 million (INR 1,640.00 million offset by INR 300.00 million) through agreement dated 28 May 2021. Accordingly, an amount of INR 1,482.94 million (amortised cost of INR 1,640.00 million) has been debited to other equity representing the obligations to the shareholders with a corresponding credit of INR 1,182.94 million and INR 300.00 million to non-current borrowings (representing amount payable to the said shareholders under Redeemable Preference Shares net of indemnity of INR 300.00 million) (As at 30 September 2021, this amount was parked under other non-current financial liability on account of pending preference shares allotment) and current financial liability (representing amount payable to the past Client (Refer Note 51 to Annexure VI), respectively. The current financial liability has been settled by transfer of investments as mentioned in Note 52 to Annexure VI. The balance of INR 157.09 million (INR 1,340.00 million less INR 1,182.94 million) will be charged to Restated 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 30 September 2022, out of INR 157.09 million, INR 79.24 million is expensed in the Restated Consolidated Statement of Profit and Loss as interest cost.

The Group's exposure to liquidity risks related to above financial liabilities is disclosed in Note 40 to Annexure VI.

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

**Annexure VI : Notes to Restated Consolidated Financial Information**

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

Particulars	As at	As at	As at	As at	As at
	30 September 2022	30 September 2021	31 March 2022	31 March 2021	31 March 2020
<b>20 Non-current provisions</b>					
<i>Provision for employee benefits</i>					
Gratuity	53.25	53.85	67.93	61.35	39.11
Compensated absences	-	13.58	16.47	13.58	12.61
Provision for indemnity	2.98	-	6.60	-	-
	<b>56.23</b>	<b>67.43</b>	<b>91.00</b>	<b>74.93</b>	<b>51.72</b>
Refer Note 38(ii) to Annexure VI for disclosure related to employee benefits.					
<b>21 Short-term borrowings</b>					
Current maturities of long term debt (Refer Note 19 to Annexure VI)	-	660.00	-	520.00	320.00
Interest accrued and not due on non-convertible debentures	-	2.44	-	2.44	1.26
	-	<b>662.44</b>	-	<b>522.44</b>	<b>321.26</b>
<b>22 Trade payables</b>					
Total dues of micro enterprises and small enterprises*	5.13	1.03	1.82	3.05	0.20
Total dues of creditors other than micro enterprises and small enterprises	232.62	167.54	253.47	249.58	203.88
	<b>237.75</b>	<b>168.57</b>	<b>255.29</b>	<b>252.63</b>	<b>204.08</b>

**Ageing of trade payables as at 30 September 2022 is as under:**

Particulars	Outstanding for following period from the due date of payment					Total
	Not due	Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro and Small Enterprises	-	5.13	-	-	-	5.13
Other than Micro and Small Enterprises	191.98	40.42	-	0.05	0.17	232.62
Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-
Disputed dues - Others than Micro and Small Enterprises	-	-	-	-	-	-

**Ageing of trade payables as at 30 September 2021 is as under:**

Particulars	Outstanding for following period from the due date of payment					Total
	Not due	Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro and Small Enterprises	-	1.03	-	-	-	1.03
Other than Micro and Small Enterprises	163.32	3.89	0.15	0.18	-	167.54
Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-
Disputed dues - Others than Micro and Small Enterprises	-	-	-	-	-	-

**Ageing of trade payables as at 31 March 2022 is as under:**

Particulars	Outstanding for following period from the due date of payment					Total
	Not due	Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro and Small Enterprises	-	1.82	-	-	-	1.82
Other 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	-	-	-	-	-	-

**Ageing of trade payables as at 31 March 2021 is as under:**

Particulars	Outstanding for following period from the due date of payment					Total
	Not due	Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro and Small Enterprises	-	3.05	-	-	-	3.05
Other than Micro and Small Enterprises	119.79	54.42	1.14	74.23	-	249.58
Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-
Disputed dues - Others than Micro and Small Enterprises	-	-	-	-	-	-

**Ageing of trade payables as at 31 March 2020 is as under:**

Particulars	Outstanding for following period from the due date of payment					Total
	Not due	Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro and Small Enterprises	-	0.20	-	-	-	0.20
Other than Micro and Small Enterprises	76.54	47.95	79.39	-	-	203.88
Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-
Disputed dues - Others than Micro and Small Enterprises	-	-	-	-	-	-

\* Refer Note 36 to Annexure VI for disclosure relating to Micro enterprises and small enterprises.



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

**Annexure VI : Notes to Restated Consolidated Financial Information**

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

Particulars	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
<b>23 Other current financial liabilities</b>					
Security deposit payable	3.56	3.29	3.18	3.29	3.20
Employee payables	89.29	61.70	75.33	39.43	42.99
Capital creditors					
Total dues of micro enterprises and small enterprises *	-	38.08	0.18	-	-
Total dues of creditors other than micro enterprises and small enterprises	1.72	23.77	10.07	13.99	8.53
Stamp duty payable (Refer Note 15 to Annexure VI)	133.39	119.39	147.78	122.56	-
Other liabilities <sup>^</sup>	82.86	327.19	74.12	18.32	10.61
	<b>310.82</b>	<b>573.42</b>	<b>310.66</b>	<b>197.59</b>	<b>65.33</b>

**Ageing of capital creditors as at 30 September 2022 is as under:**

Particulars	Outstanding for following period from the due date of payment					Total
	Not due	Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro and Small Enterprises	-	-	-	-	-	-
Other than Micro and Small Enterprises	-	1.72	-	-	-	1.72
Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-
Disputed dues - Others than Micro and Small Enterprises	-	-	-	-	-	-

**Ageing of capital creditors as at 30 September 2021 is as under:**

Particulars	Outstanding for following period from the due date of payment					Total
	Not due	Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro and Small Enterprises	-	38.08	-	-	-	38.08
Other than Micro and Small Enterprises	-	23.77	-	-	-	23.77
Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-
Disputed dues - Others than Micro and Small Enterprises	-	-	-	-	-	-

**Ageing of capital creditors as at 31 March 2022 is as under:**

Particulars	Outstanding for following period from the due date of payment					Total
	Not due	Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro and Small Enterprises	-	0.18	-	-	-	0.18
Other than Micro and Small Enterprises	-	10.07	-	-	-	10.07
Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-
Disputed dues - Others than Micro and Small Enterprises	-	-	-	-	-	-

**Ageing of capital creditors as at 31 March 2021 is as under:**

Particulars	Outstanding for following period from the due date of payment					Total
	Not due	Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro and Small Enterprises	-	-	-	-	-	-
Other than Micro and Small Enterprises	-	13.99	-	-	-	13.99
Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-
Disputed dues - Others than Micro and Small Enterprises	-	-	-	-	-	-

**Ageing of capital creditors as at 31 March 2020 is as under:**

Particulars	Outstanding for following period from the due date of payment					Total
	Not due	Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro and Small Enterprises	-	-	-	-	-	-
Other than Micro and Small Enterprises	-	8.53	-	-	-	8.53
Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-
Disputed dues - Others than Micro and Small Enterprises	-	-	-	-	-	-

\* Refer Note 36 to Annexure VI for disclosure relating to Micro enterprises and small enterprises.

<sup>^</sup> Balance as at 31 March 2022, includes an amount of INR 70 million towards claim from a past client. Refer Note 51 to Annexure VI for further details.

The Group's exposure to liquidity risks related to above financial liabilities is disclosed in Note 40 to Annexure VI.

**24 Other current liabilities**

Contract liabilities					
- Unearned income	35.88	28.14	14.50	13.14	9.46
- Advance from customers	28.04	24.86	41.17	29.06	26.11
Statutory dues payable	98.76	102.73	114.54	76.37	53.63
	<b>162.68</b>	<b>155.73</b>	<b>170.21</b>	<b>118.57</b>	<b>89.20</b>

\*Also Refer Note 46(b) to Annexure VI

**25 Current provisions**

Provision for employee benefits:

Gratuity	11.62	1.71	2.86	1.71	11.23
Compensated absences	51.35	31.09	32.15	28.87	24.75
	<b>62.97</b>	<b>32.80</b>	<b>35.01</b>	<b>30.58</b>	<b>35.98</b>

Refer Note 38(ii) to Annexure VI for disclosure related to provisions for employee benefits.

**26 Current tax liabilities (net)**

Provision for taxation *	136.49	92.99	124.09	12.98	9.35
	<b>136.49</b>	<b>92.99</b>	<b>124.09</b>	<b>12.98</b>	<b>9.35</b>

\*Net of advance tax 30 September 2022: INR 1,682.84 million; 30 September 2021: INR 1,116.61 million; 31 March 2022: INR 1,393.60 million; 31 March 2021: INR 593.73 million and 31 March 2020: INR 593.73 million

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')**
**Annexure VI : Notes to Restated Consolidated Financial Information**
*(All amounts are in INR millions, unless otherwise stated)*

Particulars	For the six months period ended 30 September 2022	For the six months period ended 30 September 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>27 Revenue from operations</b>					
Sale of services	3,359.44	2,811.83	6,165.23	4,612.36	4,122.34
<b>Total (A)</b>	<b>3,359.44</b>	<b>2,811.83</b>	<b>6,165.23</b>	<b>4,612.36</b>	<b>4,122.34</b>
<b>Other operating revenues</b>					
Recoverable expenses	128.24	97.18	229.84	199.08	376.37
<b>Total (B)</b>	<b>128.24</b>	<b>97.18</b>	<b>229.84</b>	<b>199.08</b>	<b>376.37</b>
<b>Total (A+B)</b>	<b>3,487.68</b>	<b>2,909.01</b>	<b>6,395.07</b>	<b>4,811.44</b>	<b>4,498.71</b>
Also Refer Note 46 to Annexure VI					
<b>28 Other income</b>					
Interest income from :					
- Bank deposits (calculated using effective interest method on financial assets at amortised cost)	0.95	0.36	0.90	2.00	11.07
- Unwinding of discount on deposits	2.16	1.30	2.79	2.46	1.59
- Income-tax refund	-	-	-	8.20	-
Dividend income from investment in mutual funds	30.26	16.37	45.07	19.90	32.22
Profit on sale of property, plant and equipment (net)	-	1.16	1.41	0.99	1.27
Liabilities no longer required written back	0.91	4.44	5.78	-	3.65
Foreign exchange gain (net)	1.46	-	-	-	3.53
Income on derecognition of ROU and lease liability	12.88	0.71	1.14	0.88	-
Rent concession	-	0.30	0.87	11.80	-
Miscellaneous income	1.33	0.68	2.61	4.31	0.61
	<b>49.95</b>	<b>25.32</b>	<b>60.57</b>	<b>50.54</b>	<b>53.94</b>
<b>29 Employee benefits expense*</b>					
Salaries and wages	1,286.11	942.69	2,010.80	1,701.13	1,741.79
Contribution to provident and other funds	113.62	103.41	172.90	139.91	129.30
Share based payment expenses (Refer Note 45 to Annexure VI)	61.26	28.49	91.55	12.16	16.81
Staff welfare expenses	31.29	20.57	49.61	32.86	51.93
	<b>1,492.28</b>	<b>1,095.16</b>	<b>2,324.86</b>	<b>1,886.06</b>	<b>1,939.83</b>
* The Group has capitalised salary cost of INR 119.75 million; INR 109.21 million; INR 253.74 million and INR 141.68 million to the intangible under development for the period/ year ended 30 September 2022, 30 September 2021, 31 March 2022 and 31 March 2021 respectively. No expenses were capitalised for the year ended 31 March 2020.					
<b>30 Finance costs</b>					
Interest cost on financial liabilities measured at amortised cost					
- on debentures	-	227.71	371.06	483.18	506.81
- on premium payable on redeemable preference shares ('RPS')	37.21	-	42.03	-	-
Unwinding of interest on lease liabilities (Refer Note 6(E) to Annexure VI)	15.15	15.23	30.89	36.36	25.66
Other interest costs (Refer Note 19(i) to Annexure VI)	0.01	-	84.85	-	0.55
	<b>52.37</b>	<b>242.94</b>	<b>528.83</b>	<b>519.54</b>	<b>533.02</b>
<b>31 Depreciation and amortisation expense</b>					
Depreciation on property, plant and equipment	83.03	67.38	143.63	122.40	124.20
Amortisation on goodwill (Refer Note 43(C) to Annexure VI)	-	-	-	669.22	671.06
Amortisation on intangible assets	24.44	10.36	89.26	74.43	42.60
Amortisation on internally generated intangible assets	55.26	42.55	23.08	3.13	-
Depreciation of right of use asset (Refer Note 6(E) to Annexure VI)	63.26	54.88	114.28	110.71	84.26
	<b>225.99</b>	<b>175.17</b>	<b>370.25</b>	<b>979.89</b>	<b>922.12</b>

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')**
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*(All amounts are in INR millions, unless otherwise stated)*

Particulars	For the six months period ended 30 September 2022	For the six months period ended 30 September 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>32 Other expenses</b>					
Power and fuel	23.93	20.39	36.74	48.65	60.01
Rent	19.60	16.27	30.10	59.81	50.78
Repairs and maintenance - others	9.10	2.87	7.77	11.22	14.62
Rates and taxes	4.62	0.75	4.42	2.52	4.97
Legal and professional fee*	223.95	181.97	373.72	207.82	142.24
Consultancy charges^	142.94	55.25	183.48	73.31	85.76
Office maintenance	20.16	14.91	32.93	37.11	45.91
Security services	9.13	6.66	13.25	10.95	12.41
Computer and software maintenance	16.06	21.45	41.20	66.23	17.77
Corporate social responsibility**	0.16	-	6.92	3.35	2.72
Allowance for credit loss on trade receivables and other financial assets	(5.58)	23.64	57.08	8.99	48.66
Deposits written-off	1.17	-	2.05	-	-
Credit impaired trade receivables written-off	-	23.79	23.79	3.84	-
Postage, courier and communication	133.09	101.78	231.94	225.36	369.99
Travelling and conveyance	30.11	9.69	30.88	12.80	67.87
Shared services cost	0.45	0.02	0.47	1.88	22.11
Insurance	4.56	2.13	6.99	4.31	4.38
Staff recruitment	5.86	6.18	9.50	3.92	8.13
Sales promotion and advertisement	5.36	0.98	5.46	4.08	8.59
Depository charges	0.17	0.10	0.53	0.23	0.71
Claims	10.04	19.57	87.75	0.77	0.73
Water charges	1.26	0.64	1.40	0.93	1.97
Loss on sale of investments	-	-	7.34	-	-
Fair value (gain)/ loss on financial assets measured at FVTPL	-	-	(7.21)	7.21	-
Bank charges	0.36	0.25	0.82	0.51	0.42
Foreign exchange loss (net)	-	1.79	0.76	4.71	-
Loss on disposal of property, plant and equipment, net	1.02	-	-	-	-
Miscellaneous expenses	2.88	1.23	1.62	0.90	1.86
	<b>660.40</b>	<b>512.31</b>	<b>1,191.70</b>	<b>801.41</b>	<b>972.61</b>

^The Group has capitalised consultancy charges of INR 9.20 million (30 September 2021: INR Nil million ) to the Other intangible assets/ intangible under development.

**\* Payment to auditors (included in legal and professional fee above)**

As auditor					
Statutory audit	1.65	1.35	3.00	2.70	2.60
Limited review	-	0.20	0.60	0.40	0.40
Certification	0.10	0.10	0.20	0.20	0.75
Others	4.90	0.45	15.00	0.90	0.30
Out of pocket expenses	-	0.05	-	0.10	0.29
	<b>6.65</b>	<b>2.15</b>	<b>18.80</b>	<b>4.30</b>	<b>4.34</b>

**\*\* 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.

a) Gross amount required to be spent by the Parent Company during the year ending 31 March.	20.06	6.91	6.91	3.31	2.46
b) Amount spent during the year (in cash) :					
i) Construction/ acquisition of any asset	-	-	-	-	-
ii) On purposes other than (i) above	0.16	-	6.92	3.35	2.72
c) (Shortfall) / Excess at the end of the year	NA	NA	Nil	Nil	Nil
d) Total of previous years shortfall	-	-	-	-	-
e) Reason for shortfall	Amounts are not annualized and hence not applicable	Amounts are not annualized and hence not applicable	No shortfall	No shortfall	No shortfall
f) Related party transactions	Nil	Nil	Nil	Nil	Nil

There was no provision made in the Restated Consolidated Financial Statement with respect to a liability incurred by entering into a contractual obligation.

**33 Earning per share (EPS)**

Profit/ (loss) attributable to equity shareholders (A)	853.45	678.00	1,485.49	(645.07)	45.23
Shares					
Number of shares at the beginning of the period/ year	167,568,883	150,843,583	150,843,583	150,843,583	165,831,429
Add: Equity shares issued during the period/ year	-	-	16,725,300	-	-
Less: Shares cancelled during the period/ year	-	-	-	-	(14,987,846)
Number of shares at the end of the period/ year	<b>167,568,883</b>	<b>150,843,583</b>	<b>167,568,883</b>	<b>150,843,583</b>	<b>150,843,583</b>
Weighted average number of equity shares for Basic EPS (B)	167,568,883	150,843,583	157,350,374	150,843,583	158,768,663
Effect of potential equity shares on employee stock option outstanding	1,334,642	201,299	1,357,625	71,069	80,375
Weighted average number of equity shares for diluted EPS (C)	168,903,525	151,044,882	158,707,999	150,914,652	158,849,038
Basic EPS - par value of INR 10 per share (A/B) (in INR)	5.09	4.49	9.44	(4.28)	0.28
Diluted EPS - par value of INR 10 per share (A/C) (in INR)*	5.05	4.49	9.36	(4.28)	0.28

\*Since the Group has losses during the year ended 31 March 2021, the Dilutive EPS and the Basic EPS are same as they are anti-dilutive.

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**Annexure VI : Notes to Restated Consolidated Financial Information**  
*(All amounts are in INR millions, unless otherwise stated)*

**34 Income tax**

**A. Amounts recognised in the consolidated restated statement of profit and loss**

Particulars	For the six months period ended 30 September 2022	For the six months period ended 30 September 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax	289.19	262.14	583.34	23.71	2.75
Deferred tax	(36.05)	(31.39)	(28.83)	1,296.44	137.09
<b>Total tax expense</b>	<b>253.14</b>	<b>230.75</b>	<b>554.51</b>	<b>1,320.15</b>	<b>139.84</b>

**B. Amounts recognised in Other Comprehensive Income**

Tax (expense)/ income	(2.73)	(3.74)	2.71	(1.20)	4.26
	<b>(2.73)</b>	<b>(3.74)</b>	<b>2.71</b>	<b>(1.20)</b>	<b>4.26</b>

**C. Reconciliation of effective tax rate**

<b>Profit before tax from continuing operations</b>	1,106.59	908.75	2,040.00	675.08	185.07
Enacted tax rate in India*	25.168%	25.168%	25.168%	25.168%	25.168%
Tax using the Parent Company's domestic tax rate	278.51	228.71	513.43	169.90	46.58
<b>Tax effect of:</b>					
Impact of tax exempt income	-	-	-	-	(8.08)
Impact of change in tax rate	-	-	-	-	43.00
Impact of change in Finance Act, 2021**	-	-	-	1,119.24	-
Permanent differences	6.20	3.93	26.72	37.72	13.26
Reversal of Minimum alternative credit entitlement*	-	-	-	-	27.16
Non recognition of deferred tax in subsidiaries	3.32	0.25	2.61	-	-
Impact of differential tax rate	-	2.90	2.90	(0.69)	-
Others	(34.89)	(5.04)	8.85	(6.02)	17.92
	<b>253.14</b>	<b>230.75</b>	<b>554.51</b>	<b>1,320.15</b>	<b>139.84</b>

\*For financial year 2019-2020, the Taxation Laws (Amendment) Ordinance, 2019 ('Ordinance') was promulgated on 20 September 2019. The Ordinance has amended the Income Tax Act, 1961 and Finance Act, 2019 to inter-alia provide an option to domestic companies to pay income tax at a reduced tax of 22 percent plus applicable surcharge and cess with certain conditions to be met. The Parent Company has opted for this amendment and tax rate is calculated @ 22 plus applicable surcharge and cess and accordingly unused tax credit (Minimum Alternative Tax credit entitlement) of INR 27.16 million as at 31 March 2019 has been charged to the Restated Consolidated Statement of Profit and Loss account as the Parent Company is no longer entitled to it.

\*\* During the financial year 2020-2021, the Finance Act, 2021 has introduced an amendment to Section 32 of the Income Tax Act, 1961, whereby goodwill of a business will not be considered as a depreciable asset and depreciation on goodwill will not be allowed as deductible expenditure effective 1 April 2020. In accordance with the requirements of Ind AS 12 Income Taxes, the Company has recognised one time tax expense as the outcome on the difference between Goodwill as per the books of account and its updated tax base of Nil resulting from the aforementioned amendment.

**D. Movement in deferred tax balances**

Particulars	Property, plant and equipment, Goodwill and other intangible assets	Provision for expected credit loss on trade receivables and other financial assets	Provision for employee benefits	Carry forward losses	MAT Credit	Transaction cost on issue of shares and non-convertible debentures	Others	Net deferred tax assets/ (liabilities)
<b>Balance as at 01 April 2019</b>	<b>(192.65)</b>	<b>32.25</b>	<b>59.43</b>	<b>233.85</b>	<b>27.16</b>	<b>(53.66)</b>	<b>74.52</b>	<b>180.90</b>
Recognised in Statement of profit and loss account	(153.74)	3.23	(36.02)	77.57	(27.16)	-	(0.97)	(137.09)
Recognised in Other Comprehensive Income	-	-	4.26	-	-	-	-	4.26
Recognised in Other equity	-	-	-	-	-	-	-	-
<b>As at 31 March 2020</b>	<b>(346.39)</b>	<b>35.48</b>	<b>27.67</b>	<b>311.42</b>	<b>-</b>	<b>(53.66)</b>	<b>73.55</b>	<b>48.07</b>
Recognised in Statement of profit and loss account	(942.58)	2.26	4.01	(311.42)	-	-	(48.71)	(1,296.44)
Recognised in Other Comprehensive Income	-	-	(1.20)	-	-	-	-	(1.20)
Recognised in Other equity	-	-	-	-	-	-	-	-
<b>As at 31 March 2021</b>	<b>(1,288.97)</b>	<b>37.74</b>	<b>30.48</b>	<b>-</b>	<b>-</b>	<b>(53.66)</b>	<b>24.84</b>	<b>(1,249.57)</b>
Recognised in Statement of profit and loss account	1.84	10.25	8.87	-	-	-	10.43	31.39
Recognised in Other Comprehensive Income	-	-	(3.74)	-	-	-	-	(3.74)
Recognised in Other equity	-	-	-	-	-	-	-	-
<b>As at 30 September 2021</b>	<b>(1,287.13)</b>	<b>47.99</b>	<b>35.61</b>	<b>-</b>	<b>-</b>	<b>(53.66)</b>	<b>35.27</b>	<b>(1,221.92)</b>
<b>As at 31 March 2021</b>	<b>(1,288.97)</b>	<b>37.74</b>	<b>30.48</b>	<b>-</b>	<b>-</b>	<b>(53.66)</b>	<b>24.84</b>	<b>(1,249.57)</b>
Acquired through business combination	(19.73)	-	-	-	-	-	-	(19.73)
Recognised in Statement of profit and loss account	1.72	14.36	7.26	-	-	21.79	(16.30)	28.83
Recognised in Other Comprehensive Income	-	-	2.71	-	-	-	-	2.71
Recognised in Other equity	-	-	-	-	-	-	-	-
<b>As at 31 March 2022</b>	<b>(1,306.98)</b>	<b>52.10</b>	<b>40.45</b>	<b>-</b>	<b>-</b>	<b>(31.87)</b>	<b>8.54</b>	<b>(1,237.76)</b>
Recognised in Statement of profit and loss account	20.64	6.75	(7.70)	-	-	-	16.36	36.05
Recognised in Other Comprehensive Income	-	-	(2.73)	-	-	-	-	(2.73)
Recognised in Other equity	-	-	-	-	-	-	-	-
<b>As at 30 September 2022</b>	<b>(1,286.34)</b>	<b>58.85</b>	<b>30.02</b>	<b>-</b>	<b>-</b>	<b>(31.87)</b>	<b>24.90</b>	<b>(1,204.44)</b>

E. Deferred tax assets are recognised for tax losses carried 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 subsidiaries whose losses amounted to INR 29.26 million, INR 1.59 million, INR 14.59 million, INR 0.01 million and INR 0.31 million for the period/ year ended 30 September 2022, 30 September 2021, 31 March 2022, 31 March 2021 and 31 March 2020, respectively that can be carried-forward against future taxable income. These losses can be carried forward as below:

Particulars	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Losses with expiration (8 years)	16.75	1.59	10.36	0.31	-
Losses without expiration date	12.50	-	7.68	-	-
<b>Amount of Deferred tax that has not been recorded at the period/ year end</b>					
Tax rate	25.168%	25.168%	25.168%	25.168%	25.168%
Deferred tax asset not recorded as at period/ year end	7.36	0.40	4.54	0.08	-

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

**Annexure VI : Notes to Restated Consolidated Financial Information**

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

**35 Commitments, contingent liabilities and contingent assets**

	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
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**A. Commitments**

(i) Capital commitments	64.36	11.25	68.68	30.62	-
(ii) In FY 2020-2021, the Group has entered into an agreement to invest in Artivatic Data Labs Private Limited by subscribing to 3,511 number of equity shares of INR 1 each fully paid-up and 31,599 Compulsory Convertible Preference Shares having a face value of INR 1 for a total consideration of INR 75.00 million, collectively comprising of 17% holding of Artivatic Data Labs Private Limited. There was no infusion of funds as at 31 March 2021.					

**B. Contingent liabilities**

	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
(a) Customer claims not acknowledged as debts	58.68	-	105.97	-	-
(b) Income-tax matters*	17.54	9.86	241.93	9.86	6.75
(c) Service tax matters**	-	92.95	-	92.95	92.95
(d) 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 INR. 1,480.15 million (Tax impact INR 232.08 million). During the period ended 30 September 22 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.

\*\* During the financial year 2011-12, the Karvy Computershare Private Limited (hereinafter referred to as the "Transferor Company") had received an order from the Commissioner of the Customs, Central Excise and Service Tax under Section 73(1) of the Finance Act, 1994 demanding service tax of INR. 114.61 million on reimbursement of expenses and penalty and interest thereon, pertaining to period from 10 September 2004 to 31 January 2007. The Service tax on Registrar to an Issue and Share Transfer Agent services was introduced vide Finance Act 2006 and the notification 15/2006 dated 25 April 2006 with effect from 1 May 2006. The rules for determination of value of taxable service was notified vide Notification No 12/2006 dated 19 April 2006, wherein Rule 5 prescribes for the inclusion of expenditure or cost incurred in the course of providing "taxable service", hence such inclusion was prescribed only for the "taxable service" which in this case, is applicable with effect from 1 May 2006. The Transferor Company, by way of abundant caution, had deposited an amount of INR 21.66 million and interest thereon, pertaining to period from 1 May 2006 to 31 January 2007. The Transferor Company preferred an appeal to the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Bangalore and obtained stay order on the above order and the matter is pending disposal. As per the above mentioned notification, the Service Tax on Registrar to an Issue and Share Transfer Agent was made applicable only with effect from 1 May 2006.

This matter was finally heard on October 2021 and was passed in favour of the Group with no outflow of resources and therefore the matter stands closed as at 31 March 2022.

(e) 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 Restated Consolidated Financial Information of the Group.

(f) 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 Restated Consolidated Financial Information. The impact of the same is not ascertainable.

(g) 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.

(h) The Parent Company has received a letter dated 24 August 2021 from PFRDA seeking compensation amounting to INR 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 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.

(i) 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.

(j) 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 Restated Consolidated Financial Information. 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 Restated Consolidated Financial Information.

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's Restated Consolidated Financial Information for the demand raised/ show cause notice received as the ultimate outcome of these proceedings will not have a material adverse effect on the Restated Consolidated Financial Information.

**36 Disclosure as required under the Micro and Small 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 respective year end has been made in the Restated Consolidated Financial Information 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 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Principal amount remaining unpaid to any supplier as at the end of the period/ year.	5.13	39.11	2.00	3.05	0.20
Interest due thereon remaining outstanding as at the end of the period/ 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 period/ year	-	-	-	-	-
The amount of interest due and payable for the year 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 period/ year.	-	-	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the 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.

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**Annexure VI : Notes to Restated Consolidated Financial Information**

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

**37 Segment information:**

Sl. No	Particulars	For the six months period ended 30 September 2022	For the six months period ended 30 September 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
1	<b>Segment revenue</b>					
	Registry services	3,228.07	2,687.84	5,936.18	4,364.50	4,123.44
	Data processing services	227.27	205.49	422.44	420.18	361.77
	Pension fund solutions	32.34	15.68	36.45	26.76	13.50
	<b>Total revenue</b>	<b>3,487.68</b>	<b>2,909.01</b>	<b>6,395.07</b>	<b>4,811.44</b>	<b>4,498.71</b>
2	<b>Segment results</b>					
	Registry services	1,435.17	1,294.35	3,001.13	1,398.86	1,005.18
	Data processing services	141.54	126.90	259.59	211.22	64.46
	Pension fund solutions	(30.24)	(22.44)	(49.73)	(35.37)	(48.07)
	<b>Total</b>	<b>1,546.47</b>	<b>1,398.81</b>	<b>3,210.99</b>	<b>1,574.71</b>	<b>1,021.57</b>
	<b>Unallocated (expenses)/ income</b>					
	(a) Unallocable expenses	(437.46)	(272.44)	(702.73)	(430.63)	(357.42)
	(b) Finance cost	(52.37)	(242.94)	(528.83)	(519.54)	(533.02)
	(c) Other income	49.95	25.32	60.57	50.54	53.94
	<b>Profit before tax</b>	<b>1,106.59</b>	<b>908.75</b>	<b>2,040.00</b>	<b>675.08</b>	<b>185.07</b>
3	Tax expense	253.14	230.75	554.51	1,320.15	139.84
4	<b>Net profit/ (loss) after tax</b>	<b>853.45</b>	<b>678.00</b>	<b>1,485.49</b>	<b>(645.07)</b>	<b>45.23</b>
	<b>Particulars</b>	<b>As at 30 September 2022</b>	<b>As at 30 September 2021</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
5	<b>Segment assets</b>					
	Registry services	7,469.68	2,687.84	7,224.37	6,819.86	6,988.66
	Data processing services	450.58	205.49	437.97	650.53	772.33
	Pension fund solutions	39.28	15.68	30.68	27.03	23.37
	<b>Total</b>	<b>7,959.54</b>	<b>2,909.01</b>	<b>7,693.02</b>	<b>7,497.42</b>	<b>7,784.36</b>
	Unallocated	3,188.54	6,823.54	2,571.07	1,728.70	899.48
	<b>Total</b>	<b>11,148.08</b>	<b>9,732.55</b>	<b>10,264.09</b>	<b>9,226.12</b>	<b>8,683.84</b>
6	<b>Segment liabilities</b>					
	Registry services	499.60	455.54	528.78	481.23	391.08
	Data processing services	23.48	24.47	24.77	102.73	103.77
	Pension fund solutions	3.21	2.90	3.06	4.24	3.06
	<b>Total</b>	<b>526.29</b>	<b>482.91</b>	<b>556.61</b>	<b>588.20</b>	<b>497.91</b>
	Unallocated	3,254.63	6,550.12	3,264.05	5,173.88	4,090.17
	<b>Total</b>	<b>3,780.92</b>	<b>7,033.03</b>	<b>3,820.66</b>	<b>5,762.08</b>	<b>4,588.08</b>

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')****Annexure VI : Notes to Restated Consolidated Financial Information***(All amounts are in INR millions, unless otherwise stated)***37 Segment information:** (continued)**7 Information about geographical areas**

<b>Revenue from operations attributable to external customers</b>	<b>For the six months period ended 30 September 2022</b>	<b>For the six months period ended 30 September 2021</b>	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
Within India	3,092.34	2,563.04	5,647.98	4,127.18	3,923.20
Outside India					
USA	178.39	155.15	326.75	403.45	299.40
Canada	3.14	4.24	7.27	18.98	21.79
Rest of World	213.81	186.58	413.07	261.83	254.32
<b>Total</b>	<b>3,487.68</b>	<b>2,909.01</b>	<b>6,395.07</b>	<b>4,811.44</b>	<b>4,498.71</b>

<b>Non-current assets</b>	<b>As at 30 September 2022</b>	<b>As at 30 September 2021</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Within India	7,549.98	6,874.73	7,457.84	6,728.16	7,339.86
Outside India	18.34	13.08	16.25	6.14	11.72
<b>Total</b>	<b>7,568.32</b>	<b>6,887.81</b>	<b>7,474.09</b>	<b>6,734.30</b>	<b>7,351.58</b>

**8 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 Group's revenues in the respective year:

<b>Customer</b>	<b>For the six months period ended 30 September 2022</b>	<b>For the six months period ended 30 September 2021</b>	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
Customer A	473.07	427.06	896.69	672.16	669.62
Customer B	420.12	381.93	824.44	663.57	666.08
Customer C	420.26	365.67	825.93	547.57	-
<b>Total</b>	<b>1,313.45</b>	<b>1,174.66</b>	<b>2,547.06</b>	<b>1,883.30</b>	<b>1,335.70</b>

(a) The Group is engaged in three business segments: Registry services, data processing services and pension fund solutions. Based on the "management approach" as defined in Ind AS 108 - 'Operating Segments', the Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments. The accounting principles used in the preparation of the restated financial results 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) Income, expenses, assets and liabilities have been either specifically identified to individual segment or allocated to segments on a reasonable basis or are classified as unallocated. Segment revenue includes sale of services and other operating revenues.

(d) Unallocated items include financial assets except for trade receivables and unbilled revenue, financial liabilities, deferred and income tax assets/liabilities, other assets and provisions of Parent Company. As both the subsidiary companies are in RIS Business of the Group, entire assets and liabilities of subsidiaries has been allocated to registry

(e) Goodwill that arose on account of the acquisition referred to in Note 43 to Annexure VI has been allocated to the related segments by the management.

(f) In computing the above information, certain estimates and assumptions have been made by the management and have been relied upon by the auditors.

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

**Annexure VI : Notes to Restated Consolidated Financial Information**

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

**38 Employee benefits**

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

**(i) Defined contribution plans:**

Employee State Insurance

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

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 Restated Consolidated Statement of Profit and Loss (included in Note 29 to Annexure VI):

Particulars	For the six months	For the six months	For the year ended	For the year ended	For the year ended
	period ended	period ended	31 March 2022	31 March 2021	31 March 2020
	30 September 2022	30 September 2021			
Contribution to provident fund	77.78	62.70	133.38	103.52	100.24
Contribution to employee state insurance	7.80	7.67	15.73	15.59	17.88
Defined Contribution Plan - foreign subsidiaries	0.80	0.68	0.45	3.32	2.36

**(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	As at	As at	As at	As at
	30 September 2022	30 September 2021	31 March 2022	31 March 2021	31 March 2020
Net defined benefit liability	64.87	55.56	70.79	63.06	50.34
Current (Refer Note 25 to Annexure VI)	11.62	1.71	2.86	1.71	11.23
Non Current (Refer Note 20 to Annexure VI)	53.25	53.85	67.93	61.35	39.11

**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:

**Defined benefit obligation**

Particulars	For the six months	For the six months	For the year ended	For the year ended	For the year ended
	period ended	period ended	31 March 2022	31 March 2021	31 March 2020
	30 September 2022	30 September 2021			
Balance as at beginning of the period/ year	151.18	138.91	138.91	140.59	109.18
Add: Transfer on account of acquisition on business combination	-	-	3.93	-	-
<b>Adjusted balance at the beginning of the period/ year</b>	<b>151.18</b>	<b>138.91</b>	<b>142.84</b>	<b>140.59</b>	<b>109.18</b>
<b>Included in Restated Consolidated Statement of Profit or Loss</b>					
Current service cost	25.98	35.12	13.75	14.64	15.46
Interest cost	2.66	2.35	8.47	9.02	7.01
	<b>28.64</b>	<b>37.47</b>	<b>22.22</b>	<b>23.66</b>	<b>22.47</b>
<b>Included in Other comprehensive income</b>					
Remeasurement loss/ (gain)					
Actuarial loss/ (gain) arising from financial assumptions	(11.32)	(5.67)	12.21	(5.57)	17.63
- demographic assumptions	-	-	-	-	-
- experience adjustment	-	-	-	-	-
on plan assets	-	-	-	-	-
	<b>(11.32)</b>	<b>(5.67)</b>	<b>12.21</b>	<b>(5.57)</b>	<b>17.63</b>
<b>Others</b>					
Benefits paid	(5.80)	(18.59)	(26.09)	(19.77)	(8.69)
	<b>(5.80)</b>	<b>(18.59)</b>	<b>(26.09)</b>	<b>(19.77)</b>	<b>(8.69)</b>
<b>Balance as at end of the period/ year</b>	<b>162.70</b>	<b>152.12</b>	<b>151.18</b>	<b>138.91</b>	<b>140.59</b>



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

**38 Employee benefits (continued)**

<b>Fair value of plan assets</b>	<b>For the six months period ended 30 September 2022</b>	<b>For the six months period ended 30 September 2021</b>	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
Balance as at beginning of the period/ year	(80.39)	(75.85)	(75.85)	(90.25)	(82.03)
Add: Transfer on account of amalgamation	-	-	-	-	-
<b>Adjusted balance at the beginning of the period/ year</b>	<b>(80.39)</b>	<b>(75.85)</b>	<b>(75.85)</b>	<b>(90.25)</b>	<b>(82.03)</b>
<b>Included in Restated Consolidated Statement of Profit or Loss</b>					
Expected return on plan assets	-	-	-	-	-
Investment income	(1.40)	(5.11)	(2.75)	(6.18)	(6.69)
	<b>(1.40)</b>	<b>(5.11)</b>	<b>(2.75)</b>	<b>(6.18)</b>	<b>(6.69)</b>
<b>Included in Other comprehensive income</b>					
Remeasurement loss/ (gain)	-	-	-	-	-
<b>Actuarial loss/ (gain) arising from:</b>					
- financial assumptions	-	-	-	0.56	-
- demographic assumptions	-	-	-	-	-
- experience adjustment	-	-	-	-	-
- on plan assets	0.46	(9.19)	(1.45)	0.25	(0.72)
	<b>0.46</b>	<b>(9.19)</b>	<b>(1.45)</b>	<b>0.81</b>	<b>(0.72)</b>
<b>Others</b>					
Contributions paid by the employer	(21.80)	(25.00)	(26.43)	-	(9.50)
Benefits paid	5.29	18.59	26.09	19.77	8.69
	<b>(16.51)</b>	<b>(6.41)</b>	<b>(0.34)</b>	<b>19.77</b>	<b>(0.81)</b>
<b>Balance as at end of the year</b>	<b>(97.84)</b>	<b>(96.56)</b>	<b>(80.39)</b>	<b>(75.85)</b>	<b>(90.25)</b>
<b>Net defined benefit liability/ (asset)</b>					
Balance as at beginning of the period/ year	70.79	63.06	63.06	50.34	27.15
Add: Transfer on account of amalgamation	-	-	3.93	-	-
<b>Adjusted balance at the beginning of the year</b>	<b>70.79</b>	<b>63.06</b>	<b>66.99</b>	<b>50.34</b>	<b>27.15</b>
<b>Included in Restated Consolidated Statement of Profit or Loss</b>					
Current service cost	25.98	35.12	13.75	14.64	15.46
Interest cost	1.27	(2.76)	5.72	2.84	0.32
	<b>27.25</b>	<b>32.36</b>	<b>19.47</b>	<b>17.48</b>	<b>15.78</b>
<b>Included in Other comprehensive income</b>					
Remeasurement loss/ (gain)	-	-	-	-	-
<b>Actuarial loss/ (gain) arising from:</b>					
- financial assumptions	(11.32)	(5.67)	12.21	(5.01)	17.63
- on plan assets	0.46	(9.19)	(1.45)	0.25	(0.72)
	<b>(10.86)</b>	<b>(14.86)</b>	<b>10.76</b>	<b>(4.76)</b>	<b>16.91</b>
<b>Others</b>					
Contributions paid by the employer	(21.80)	(25.00)	(26.43)	-	(9.50)
Benefits paid	(0.51)	-	-	-	-
	<b>(22.31)</b>	<b>(25.00)</b>	<b>(26.43)</b>	<b>-</b>	<b>(9.50)</b>
<b>Balance as at end of the year</b>	<b>64.87</b>	<b>55.56</b>	<b>70.79</b>	<b>63.06</b>	<b>50.34</b>

**C. Plan assets**

	<b>As at 30 September 2022</b>	<b>As at 30 September 2021</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Investment with Life Insurance Corporation of India	100%	100%	100%	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.

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

**38 Employee benefits (continued)**

**D. Actuarial assumptions**

**a) Economic assumptions**

The principal assumptions are the discount rate, expected rate of return on plan assets and salary growth rate. Financial and demographic valuation assumptions are as follows:

	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Discount rate (p.a.)	7.61%-7.11%	6.94%	7.17%-7.18%	6.80%	6.90%
Salary increase (p.a.)	4.00%	4.00%	4.00%	4.00%	4.00%
Expected rate of return on plan assets	8.00%	8.00%	8.00%	8.00%	8.00%
Withdrawal rates (p.a.)	1.00% to 2.00%	1.00%	1.00% to 2.00%	1.00%	1.00%

**b) Demographic assumptions**

	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
i) Retirement age (years)	58 years	58 years	58 years	58 years	58 years
ii) Mortality table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)

**E. Sensitivity analysis**

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

	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Discount rate (1% movement)					
- Increase	13.18	14.59	(12.39)	(11.80)	(11.63)
- Decrease	(12.40)	(12.64)	14.27	13.64	13.46
Future salary growth (1% movement)					
- Increase	17.50	18.16	17.90	16.98	16.76
- Decrease	(16.16)	(15.67)	(15.47)	(14.60)	(14.43)
Mortality rate (1% movement)					
- Increase	(0.22)	0.29	0.29	1.41	0.25
- Decrease	(0.84)	(0.29)	(0.29)	(0.26)	(0.28)
Attrition rate (1% movement)					
- Increase	10.26	10.94	(9.78)	8.98	9.26
- Decrease	(12.40)	(11.99)	10.79	(9.92)	(10.26)

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

Particulars	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
<b>Duration of defined benefit payments</b>					
Less than 1 year	9.19	10.87	8.79	-	9.40
Between 2 - 5 years	32.69	20.51	19.49	24.95	21.01
Between 5- 10 years	84.61	77.10	40.33	36.84	34.18
Over 10 years	36.21	43.64	82.57	77.12	76.00
<b>Total</b>	<b>162.70</b>	<b>152.12</b>	<b>151.18</b>	<b>138.91</b>	<b>140.59</b>

Expected contribution to the post employee benefit plan during the next financial year is expected to be 30 September 2022: INR 30 million (30 September 2021: INR 17.39 million; 31 March 2022: INR 17.22 million; 31 March 2021: INR 17.39 million and 31 March 2020: INR 17.03 million).

**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 30 September 2022, the Group has incurred an expense on compensated absences amounting to INR 10.43 million (30 September 2021: INR 7.89 million; 31 March 2022: INR 17.76 million ;31 March 2021: INR 14.69 million and 31 March 2020: INR 19.10 million). 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.

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*(All amounts are in INR millions, unless otherwise stated)*

**39 Related parties**

**A. Names of related party and nature of relationship**

**i. Ultimate holding company :**

GASC MGP, LLC, Delaware (w.e.f 17 November 2018)

**ii. Holding Company :**

General Atlantic Singapore Fund Pte Ltd

**iii. Wholly owned subsidiaries/ step down subsidiary:**

- 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 (w.e.f. 6 January 2020)
- d) Hexagram Fintech Private Limited (w.e.f. 7 February 2022)
- e) Hexagram Fintech SDN. BHD (w.e.f. 7 February 2022) - Step down subsidiary
- f) Kfin Global Services Technologies (IFSC) Limited (w.e.f 28 June 2022)

**iv. Enterprise where promoters/ promoter group hold control:**

- a) General Atlantic Singapore KFT Pte Ltd

**v. Enterprise where promoters/ promoter group hold significant influence:**

- a) Ochre & Black Private Limited (w.e.f 31 December 2019)
- b) Krishna Institute of Medical Sciences Limited (w.e.f 31 December 2019 to 28 June 2021)
- c) Karvy Stock Broking Limited (Upto 23 November 2019)
- d) Karvy Data Management Services Limited (Upto 23 November 2019)
- e) Compar Estates and Agencies Private Limited (Upto 23 November 2019)
- f) Parthasarathy Comandur HUF (Upto 23 November 2019)

**vi. Key Management personnel (KMP)**

- a) V Ganesh , Chief Executive Officer and Managing Director (up to 12 June 2020)
- b) Venkata Satya Sreekanth Nadella, Chief Executive Officer and Whole time Director (w.e.f 12 June 2020) [Managing Director w.e.f. 06 June 22]
- c) Kaushik Mazumdar, Independent Director
- d) Sonu Halan Bhasin, Independent Director
- e) Sandeep Achyut Naik, Director
- f) Vishwanathan Mavila Nair, Director
- g) Shantanu Rastogi, Director
- h) Vishesh Tayal, Director (w.e.f 24 March 2020 and upto 26 May 2020)
- i) Prashant Saran, Independent Director (w.e.f. 26 May 2020)
- j) C Parthasarathy, Director (up to 23 November 2019)
- k) Rajath Sood, Director (up to 16 March 2020)
- l) Srinivas Peddada, Director (w.e.f. 02 July 2020)
- m) Jaideep Hansraj, Director (w.e.f. 10 November 2021)

**vii. Relatives of KMP**

- a) Rajat Parthasarathy (upto 23 November 2019)
- b) Adhiraj Parthasarathy (upto 23 November 2019)

**viii. Post-employment benefit plan**

- a) KFin Fintech Employees Group Gratuity Assurance scheme

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**Annexure VI : Notes to Restated Consolidated Financial Information**

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

**39 Related parties (continued)**

**B(i) Transactions with the related parties of Parent Company (whether eliminated or not in the Restated Consolidated Financial Statement)**

Particulars	For the six months period ended 30 September 2022	For the six months period ended 30 September 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>i) Holding Group</b>					
<b>General Atlantic Singapore Fund Pte Ltd</b>					
Buy back of equity shares (including taxes)	-	-	-	-	927.02
Reimbursement of IPO related expenses	77.92	-	84.72	-	-
<b>ii) Wholly owned subsidiaries^</b>					
<b>a) KFin Technologies (Malaysia) SDN.BHD</b>					
Fee from investor service	(47.31)	(36.46)	(109.04)	(109.42)	(64.23)
Reimbursement of expenses	16.04	-	-	-	-
<b>b) KFin Technologies (Bahrain) W.L.L.</b>					
Dividend income received	-	(30.34)	(30.34)	-	(25.48)
<b>c) KFin Services Private Limited</b>					
Investment in equity shares	-	45.00	55.00	-	0.10
Reimbursement of expenses	-	4.33	3.60	5.45	0.09
<b>d) Hexagram Fintech Private Limited</b>					
Investment in equity shares^^	30.00	-	65.00	-	-
Share based payment expenses	2.55	-	-	-	-
Advance to vendors	2.00	-	-	-	-
<b>iii) Enterprise where promoters/ promoter group hold significant influence:</b>					
<b>Ochre &amp; Black Private Limited</b>					
Fee from investor services	-	-	(0.01)	(0.01)	-
<b>Krishna Institute of Medical Sciences Limited</b>					
Fee from investor services	-	-	-	(0.01)	(0.01)
<b>Karvy Stock Broking Limited</b>					
Purchase of securities	-	-	-	-	4.19
Sale of securities	-	-	-	-	16.38
Fee from investor services	-	-	-	-	(0.80)
Reimbursement of expenses	-	-	-	-	1.07
<b>Karvy Data Management Services Limited</b>					
Rent expenses	-	-	-	-	16.85
Professional charges	-	-	-	-	1.73
Fee from investor services	-	-	-	-	(0.59)
Reimbursement of expenses	-	-	-	-	(1.28)
<b>Compar Estates and Agencies Private Limited</b>					
Buy back of equity shares (including taxes)	-	-	-	-	167.50
<b>Parthasarathy Comandur HUF</b>					
Buy back of equity shares (including taxes)	-	-	-	-	18.07
<b>iv) Key Management Personnel*</b>					
Short-term employee benefits					
- Remuneration paid	23.52	12.24	31.27	42.62	25.00
- Incentives/ Bonus paid	3.00	3.35	15.35	14.75	71.15
- Professional fee paid	-	-	-	-	16.10
- Buy back of equity shares (including taxes)	-	-	-	-	14.96
- Share-based payment	11.39	16.87	34.73	11.56	12.12
Reimbursement of expenses	1.54	-	-	-	-
<b>v) Relatives of KMP</b>					
Buy back of equity shares (including taxes)	-	-	-	-	29.26

**B(ii) Transactions with the related parties by Subsidiaries Companies (whether eliminated or not in the Restated Consolidated Financial Statement)**

Particulars	For the six months period ended 30 September 2022	For the six months period ended 30 September 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>(a) In the books of Hexagram Fintech Private Limited</b>					
<b>Hexagram Fintech SDN. BHD.</b>					
Fee from investor service	0.71	-	-	-	-
<b>(b) In the books of Hexagram Fintech SDN. BHD.</b>					
<b>Hexagram Fintech Private Limited</b>					
Professional charges	0.71	-	-	-	-

\*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.

^ Transactions with wholly owned subsidiaries are eliminated on consolidation.

^^ Excludes the initial investment of INR 251.53 million i.e. purchase consideration paid to the erstwhile shareholders of the Hexagram Fintech Private Limited towards acquisition of the Hexagram Fintech Private Limited.

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

**Annexure VI : Notes to Restated Consolidated Financial Information**

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

**39 Related parties (continued)**

**C. Related party balances**

Particulars	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
<b>i. Holding Company :</b>					
<b>General Atlantic Singapore Fund Pte Ltd</b>					
Reimbursement of IPO related expenses (Refer Note 48 to Annexure VI)	162.64	-	84.72	-	-
<b>i) Enterprise where promoters/ promoter group hold significant influence:</b>					
<b>Karvy Stock Broking Limited*</b>					
Trade payables	-	-	-	-	0.99
<b>Karvy Data Management Services Limited*</b>					
Trade payables	-	-	-	-	62.93
*These parties are considered as related parties up to 23 November 2019.					
<b>ii) Wholly owned subsidiaries^</b>					
<b>KFin Technologies (Malaysia) SDN.BHD</b>					
Trade receivables	21.21	10.49	23.17	8.38	16.53
Other payables	16.04	-	-	-	-
<b>KFin Services Private Limited</b>					
Other receivable	-	4.65	-	5.45	0.09
<b>KFin Technologies (Malaysia) SDN.BHD</b>					
Investment in Subsidiary	16.74	16.74	16.74	16.74	16.74
<b>KFin Technologies (Bahrain) W.L.L.</b>					
Investment in Subsidiary	135.46	135.46	135.46	135.46	135.46
<b>KFin Services Private Limited</b>					
Investment in Subsidiary	55.10	45.10	55.10	0.10	-
<b>Hexagram Fintech Private Limited</b>					
Investment in Subsidiary	346.53	-	316.53	-	-
Other receivables	2.55	-	-	-	-
Advance to vendors	2.00	-	-	-	-
<b>iii) Enterprise where promoters/ promoter group hold significant influence:</b>					
<b>Krishna Institute of Medical Sciences Limited</b>					
Trade receivables	-	-	-	-	0.01
<b>iv) Key Management Personnel</b>					
Incentive payable	-	-	-	-	10.00
Other liabilities	-	-	-	-	1.61

^ Balances outstanding from wholly owned subsidiaries are eliminated on consolidation.

**C(ii) Related party balances in Subsidiaries Companies (whether eliminated or not in the Restated Consolidated Financial Statement)**

Particulars	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
<b>(a) In the books of Hexagram Fintech Private Limited</b>					
<b>Hexagram Fintech SDN. BHD.</b>					
Trade receivables	0.71	-	-	-	-
<b>(b) In the books of Hexagram Fintech SDN. BHD.</b>					
<b>Hexagram Fintech Private Limited</b>					
Trade payables	0.71	-	-	-	-

The Parent Company has given letter of support to its wholly-owned subsidiary company, namely KFin Technologies (Bahrain) W.L.L. Under the letter of support, the Company is committed to provide the required support including financial assistance as and when required.

All related party transactions entered during the years 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. None of the balances are secured.

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')**
**Annexure VI : Notes to Restated Consolidated Financial Information**
*(All amounts are in INR millions, unless otherwise stated)*
**40 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 30 September 2022	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>								
Investments	-	-	-	-	-	-	-	-
Other financial assets	-	-	29.26	29.26	-	-	-	-
<b>Current assets</b>								
Investments	1,297.41	-	-	1,297.41	1,297.41	-	-	1,297.41
Trade receivables	-	-	1,419.61	1,419.61	-	-	-	-
Cash and cash equivalents	-	-	422.74	422.74	-	-	-	-
Bank balances other than cash and cash equivalent	-	-	1.56	1.56	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Other financial assets	-	-	307.21	307.21	-	-	-	-
	<b>1,297.41</b>	<b>-</b>	<b>2,180.38</b>	<b>3,477.79</b>	<b>1,297.41</b>	<b>-</b>	<b>-</b>	<b>1,297.41</b>
<b>Financial liabilities</b>								
<b>Non-current Liabilities</b>								
(i) Borrowings	-	-	1,262.35	1,262.35	-	-	-	-
(ii) Lease liabilities	-	-	257.78	257.78	-	-	-	-
<b>Current Liabilities</b>								
(i) Borrowings	-	-	-	-	-	-	-	-
(ii) Lease liabilities	-	-	89.35	89.35	-	-	-	-
(iii) Trade payables	-	-	237.75	237.75	-	-	-	-
(iv) Other financial liabilities	-	-	310.82	310.82	-	-	-	-
	<b>-</b>	<b>-</b>	<b>2,158.05</b>	<b>2,158.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 30 September 2021</b>								
As at 30 September 2021	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>								
Investments	47.10	-	-	47.10	-	-	47.10	47.10
Other financial assets	-	-	43.61	43.61	-	-	-	-
<b>Current assets</b>								
Investments	1,325.45	-	-	1,325.45	1,325.45	-	-	1,325.45
Trade receivables	-	-	1,050.71	1,050.71	-	-	-	-
Cash and cash equivalents	-	-	284.58	284.58	-	-	-	-
Bank balances other than cash and cash equivalent	-	-	5.16	5.16	-	-	-	-
Loans	-	-	2.40	2.40	-	-	-	-
Other financial assets	-	-	69.36	69.36	-	-	-	-
	<b>1,372.55</b>	<b>-</b>	<b>1,455.82</b>	<b>2,828.37</b>	<b>1,325.45</b>	<b>-</b>	<b>47.10</b>	<b>1,372.55</b>
<b>Financial liabilities</b>								
<b>Non-current Liabilities</b>								
(i) Borrowings	-	-	2,551.93	2,551.93	-	-	-	-
(ii) Lease liabilities	-	-	215.09	215.09	-	-	-	-
<b>Current Liabilities</b>								
(i) Borrowings	-	-	662.44	662.44	-	-	-	-
(ii) Lease liabilities	-	-	107.71	107.71	-	-	-	-
(iii) Trade payables	-	-	168.57	168.57	-	-	-	-
(iv) Other financial liabilities	-	-	573.42	573.42	-	-	-	-
	<b>-</b>	<b>-</b>	<b>4,279.16</b>	<b>4,279.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 31 March 2022</b>								
As at 31 March 2022	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>								
Investments	-	-	-	-	-	-	-	-
Other financial assets	-	-	61.48	61.48	-	-	-	-
<b>Current assets</b>								
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	-	-	-	-
Loans	-	-	1.41	1.41	-	-	-	-
Other 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>								
(i) Borrowings	-	-	1,225.14	1,225.14	-	-	-	-
(ii) Lease liabilities	-	-	250.57	250.57	-	-	-	-
<b>Current Liabilities</b>								
(i) Borrowings	-	-	-	-	-	-	-	-
(ii) Lease liabilities	-	-	120.93	120.93	-	-	-	-
(iii) Trade payables	-	-	255.29	255.29	-	-	-	-
(iv) 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>

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')**  
**Annexure VI : Notes to Restated Consolidated Financial Information**  
*(All amounts are in INR millions, unless otherwise stated)*

**40 Financial instruments – Fair values and risk management (continued)**

**A. Financial instruments by category (continued)**

As at 31 March 2021	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 financial assets	-	-	52.05	52.05	-	-	-	-
<b>Current assets</b>								
Investments	949.09	-	-	949.09	949.09	-	-	949.09
Trade receivables	-	-	1,105.92	1,105.92	-	-	-	-
Cash and cash equivalents	-	-	229.26	229.26	-	-	-	-
Bank balances other than cash and cash equivalent	-	-	5.43	5.43	-	-	-	-
Loans	-	-	2.69	2.69	-	-	-	-
Other financial assets	-	-	118.13	118.13	-	-	-	-
	<b>949.09</b>	<b>-</b>	<b>1,513.48</b>	<b>2,462.57</b>	<b>949.09</b>	<b>-</b>	<b>-</b>	<b>949.09</b>
<b>Financial liabilities</b>								
<b>Non-current Liabilities</b>								
(i) Borrowings	-	-	2,938.90	2,938.90	-	-	-	-
(ii) Lease liabilities	-	-	262.65	262.65	-	-	-	-
<b>Current Liabilities</b>								
(i) Borrowings	-	-	522.44	522.44	-	-	-	-
(iii) Trade payables	-	-	252.63	252.63	-	-	-	-
(ii) Lease liabilities	-	-	101.24	101.24	-	-	-	-
(iv) Other financial liabilities	-	-	197.59	197.59	-	-	-	-
	<b>-</b>	<b>-</b>	<b>4,275.45</b>	<b>4,275.45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at 31 March 2020	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 financial assets	-	-	53.91	53.91	-	-	-	-
<b>Current assets</b>								
Investments	135.44	-	-	135.44	135.44	-	-	135.44
Trade receivables	-	-	883.18	883.18	-	-	-	-
Cash and cash equivalents	-	-	116.62	116.62	-	-	-	-
Bank balances other than cash and cash equivalent	-	-	61.56	61.56	-	-	-	-
Loans	-	-	3.45	3.45	-	-	-	-
Other financial assets	-	-	79.06	79.06	-	-	-	-
	<b>135.44</b>	<b>-</b>	<b>1,197.78</b>	<b>1,333.22</b>	<b>135.44</b>	<b>-</b>	<b>-</b>	<b>135.44</b>
<b>Financial liabilities</b>								
<b>Non-current Liabilities</b>								
(i) Borrowings	-	-	3,433.12	3,433.12	-	-	-	-
(ii) Lease liabilities	-	-	281.61	281.61	-	-	-	-
<b>Current Liabilities</b>								
(i) Borrowings	-	-	321.26	321.26	-	-	-	-
(iii) Trade payables	-	-	204.08	204.08	-	-	-	-
(ii) Lease liabilities	-	-	96.43	96.43	-	-	-	-
(iv) Other financial liabilities	-	-	65.33	65.33	-	-	-	-
	<b>-</b>	<b>-</b>	<b>4,401.83</b>	<b>4,401.83</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 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.

**40 Financial instruments – Fair values and risk management (continued)**

**II. Financial risk management**

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

Carrying amount and Fair value	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
<b>Financial assets</b>					
Other non current financial assets	29.26	43.61	61.48	52.05	53.91
Trade receivables	1,419.61	1,050.71	1,125.96	1,105.92	883.18
Cash and cash equivalents	422.74	284.58	450.33	229.26	116.62
Bank balances other than cash and cash equivalent	1.56	5.16	1.53	5.43	61.56
Loans	0.00	2.40	1.41	2.69	3.45
Other current financial assets	307.21	69.36	190.48	118.13	79.06
	<b>2,180.38</b>	<b>1,455.82</b>	<b>1,831.19</b>	<b>1,513.48</b>	<b>1,197.78</b>
<b>Financial liabilities</b>					
Borrowings	1,262.35	3,214.37	1,225.14	3,461.34	3,754.38
Trade payables	237.75	168.57	255.29	252.63	204.08
Lease liabilities	347.13	322.80	371.50	363.89	378.04
Other current financial liabilities	310.82	573.42	310.66	197.59	65.33
	<b>2,158.05</b>	<b>4,279.16</b>	<b>2,162.59</b>	<b>4,275.45</b>	<b>4,401.83</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.

**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.

**Geographical concentration of credit risk:** Geographical concentration of trade receivables (gross) is as follows:

Particulars	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Outside India	134.16	117.37	133.22	69.08	134.13
Within India	1,473.56	1,101.30	1,194.14	1,181.16	878.18
<b>Total</b>	<b>1,607.72</b>	<b>1,218.67</b>	<b>1,327.36</b>	<b>1,250.24</b>	<b>1,012.31</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 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.

**Retention money receivable**

During FY 2019-20, the Group had retention money receivable from the state governments pertaining to the services rendered by the Company towards e-governance projects. The same has been transferred to trade receivables in FY 2020-21 basis the terms of the contract. The Company foresees no credit risk pertaining to those receivables as the same are sovereign backed, but assesses the same for loss in time value of money.

**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 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Trade receivables (gross excluding unbilled revenue)	1,465.25	1,138.26	1,248.44	1,170.34	917.52
Retention money receivable	-	-	-	-	72.41

The Group has made write-offs of trade receivables as disclosed in Note 32 to Annexure VI as it does not expect to receive future cash flows or recoveries from collection of receivables. The Group's management also pursue all legal options for recovery of dues, wherever necessary, based on its internal assessment.

Refer Note 11 to Annexure VI for Reconciliation of loss allowance provision for trade receivables.



40 Financial instruments – Fair values and risk management (continued)

II. Financial risk management (continued)

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.

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 INR 2,579.70 million as at 30 September 2022 (30 September 2021: INR 1,051.08 million; 31 March 2022: INR 1773.81 million 31 March 2021: INR 1,255.79 million and 31 March 2020: INR 510.63 million)

**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 the impact of netting agreements.

Particulars	Carrying amount as at		Contractual cash flows			
	30 September 2022	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	237.75	237.75	237.75	-	-	-
Borrowings*	1,262.35	1,340.00	-	1,340.00	-	-
Lease liabilities	347.13	441.61	111.18	72.29	183.57	74.57
Other financial liabilities	310.82	310.82	310.82	-	-	-
<b>Total</b>	<b>2,158.05</b>	<b>2,330.18</b>	<b>659.75</b>	<b>1,412.29</b>	<b>183.57</b>	<b>74.57</b>

Particulars	Carrying amount as at		Contractual cash flows			
	30 September 2021	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	168.57	168.57	168.57	-	-	-
Borrowings*	3,214.37	4,551.93	3,211.93	1,340.00	-	-
Lease liabilities	322.80	389.19	131.39	99.02	117.32	41.46
Other financial liabilities	573.42	573.42	573.42	-	-	-
<b>Total</b>	<b>4,279.16</b>	<b>5,683.11</b>	<b>4,085.31</b>	<b>1,439.02</b>	<b>117.32</b>	<b>41.46</b>

Particulars	Carrying amount as at		Contractual cash flows			
	31 March 2022	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	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>

Particulars	Carrying amount as at		Contractual cash flows			
	31 March 2021	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	252.63	252.63	252.63	-	-	-
Borrowings*	3,461.34	4,438.57	932.41	1,140.66	2,365.50	-
Lease liabilities	363.89	442.06	131.56	126.20	129.44	54.86
Other financial liabilities	197.59	197.59	197.59	-	-	-
<b>Total</b>	<b>4,275.45</b>	<b>5,330.85</b>	<b>1,514.19</b>	<b>1,266.86</b>	<b>2,494.94</b>	<b>54.86</b>

Particulars	Carrying amount as at		Contractual cash flows			
	31 March 2020	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	204.08	204.08	204.08	-	-	-
Borrowings*	3,754.38	4,741.30	777.40	1,040.70	2,923.20	-
Lease liabilities	378.04	455.70	123.27	120.28	167.50	44.65
Other financial liabilities	65.33	65.33	65.33	-	-	-
<b>Total</b>	<b>4,401.83</b>	<b>5,466.41</b>	<b>1,170.08</b>	<b>1,160.98</b>	<b>3,090.70</b>	<b>44.65</b>

\* The contractual Cash flows includes interest obligation on borrowings.

**40 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 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:

	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
<b>Fixed-rate instruments</b>					
Financial assets	70.13	75.40	30.05	6.38	65.04
Financial liabilities	1,262.35	3,214.37	1,225.14	3,461.34	3,754.38

**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:

Financial assets	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
<b>Trade receivables: Foreign Currency</b>					
USD	0.60	0.90	0.54	0.13	0.95
CAD	0.01	0.03	0.02	0.02	0.07
AUD	0.35	0.22	0.10	0.22	0.05
GBP	0.02	0.03	0.01	0.01	0.03
<b>Trade receivables - Indian Currency</b>					
USD	48.27	66.93	40.70	9.54	71.53
CAD	0.63	2.05	1.03	1.30	3.54
AUD	19.16	11.68	5.81	12.29	2.36
GBP	2.11	3.01	1.04	1.32	2.75

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the INR against all other currencies at year-end would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss and an impact on equity (net of 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 and loss	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
<b>Net currency receivables/ (payables)</b>					
USD - 1% strengthening	(0.48)	(0.67)	(0.41)	(0.10)	(0.72)
USD - 1% weakening	0.48	0.67	0.41	0.10	0.72
CAD - 5% strengthening	(0.03)	(0.10)	(0.05)	(0.07)	(0.18)
CAD - 5% weakening	0.03	0.10	0.05	0.07	0.18
AUD -1% strengthening	(0.19)	(0.12)	(0.06)	(0.12)	(0.02)
AUD - 1% weakening	0.19	0.12	0.06	0.12	0.02
GBP -10% strengthening	(0.21)	(0.30)	(0.10)	(0.13)	(0.28)
GBP - 10% weakening	0.21	0.30	0.10	0.13	0.28
<b>Impact on equity, net of tax</b>					
<b>Net currency receivables/ (payables)</b>					
USD - 1% strengthening	(0.36)	(0.50)	(0.30)	(0.07)	(0.54)
USD - 1% weakening	0.36	0.50	0.30	0.07	0.54
CAD - 5% strengthening	(0.02)	(0.08)	(0.04)	(0.05)	(0.13)
CAD - 5% weakening	0.02	0.08	0.04	0.05	0.13
AUD -1% strengthening	(0.14)	(0.09)	(0.04)	(0.09)	(0.02)
AUD - 1% weakening	0.14	0.09	0.04	0.09	0.02
GBP -10% strengthening	(0.16)	(0.23)	(0.08)	(0.10)	(0.21)
GBP - 10% weakening	0.16	0.23	0.08	0.10	0.21

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')****Annexure VI : Notes to Restated Consolidated Financial Information***(All amounts are in INR millions, unless otherwise stated)***41 Capital management**

The Group's objectives when managing capital are to

- a) 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
- b) maintain an optimal capital structure to reduce the cost of capital.
- c) 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 30 September 2022	As at 30 September 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Net debt*	-	1,604.34	-	2,282.99	3,502.32
Total equity	7,031.73	2,413.40	6,169.26	3,206.41	3,850.29
<b>Net debt to equity ratio</b>	<b>-</b>	<b>66.48%</b>	<b>-</b>	<b>71.20%</b>	<b>90.96%</b>

\* Net debt is computed as Borrowings less sum of cash and cash equivalents, Bank balances and Current Investments. As at 30 September 22 and 31 March 2022, Net debt position is negative and hence represented as Nil.

**Debt covenants**

Under the terms of the debentures agreement, the Group was required to comply with the following financial covenants:

- a) DSCRA not less than 1.1 times during the tenure of the debentures.
- b) Maximum Net Debt/ EBITDA not to exceed 3.75 times.

The Group complied with these covenants till the date of repayment of debentures and is 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 INR. 5.00 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 INR 5,434.31 million (30 September 2021: INR 5,245.54 million; 31 March 2022: INR 5,434.31 million; 31 March 2021: INR 5,245.54 million and 31 March 2020: INR 5,914.76 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 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.

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

**Annexure VI : Notes to Restated Consolidated Financial Information**

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

**42 Impairment test of goodwill**

The Group is carrying goodwill aggregating to INR. 5,434.31 million as at 30 September 2022 (30 September 2021: INR 5,245.54 million; 31 March 2022: INR 5,434.31; 31 March 2021 : INR 5,245.54 million and 31 March 2020: INR 5,914.76 million ) referred to in Note 4 and 43 to Annexure VI. For the purpose of impairment testing, the carrying amount of goodwill has been allocated to the following CGUs.

Particulars	As at	As at	As at	As at	As at
	30 September 2022	30 September 2021	31 March 2022	31 March 2021	31 March 2020
Registry services	5,068.07	4,879.30	5,068.07	4,879.30	5,501.68
Data processing services	366.24	366.24	366.24	366.24	413.08

For the year ended 31 March 2022, 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 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 2022 and the actual performance of the CGU has been monitored against the budgets for the 6 months period ended 30 September 2022.

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

Particulars	As at	As at	As at	As at	As at
	30 September 2022	30 September 2021	31 March 2022	31 March 2021	31 March 2020
Discount rate	14%	14%	14%	14%	16%
Terminal growth rate	5%	5%	5%	5%	5%
Budgeted EBITDA growth rate for various revenue stream	19.31% to 22.27%	26.6% to 35.9%	19.31% to 22.27%	26.6% to 35.9%	5% - 20%

- The discount rate is a post-tax measure estimated based on the historical industry average weighted-average cost of capital.

- The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

- Budgeted EBITDA has been estimated taking into account past experience and expected growth in the next five years.

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 no 43(C) of Annexure VI in respect of approval received from NCLT towards testing the goodwill for impairment w.e.f. 1 April 2021.

**43 Business combination**

**A) Acquisition of Hexagram Fintech Private Limited by the Group**

During the year ended 31 March 2022, the Parent Company has entered into a Share Purchase Agreement (SPA) to acquire 100% equity interest in Hexagram Fintech Private Limited with effect from 7 February 2022 for a net purchase consideration of INR 251.53 millions. 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>	
Intangible assets	
a) Customer relationships	13.91
b) Computer software	12.64
c) Trademarks	43.49
d) Non-compete agreement	39.32
Non-current tax assets	5.34
Current assets	35.33
<b>Total assets (B)</b>	<b>150.03</b>
<b>Liabilities</b>	
Non-current liabilities	3.65
Current liabilities	63.90
Deferred tax liabilities	19.72
<b>Total liabilities (C)</b>	<b>87.27</b>
<b>Fair value of Net assets (D=B-C)</b>	<b>62.76</b>
<b>Goodwill (A-D)</b>	<b>188.77</b>

The goodwill is mainly attributable 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	Cost technique: The valuation model considers depreciated replacement cost when appropriate.
Customer relationships	Income based approach method: 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	With and without method: 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	Relief from Royalty Method 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.

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 upon acquisition	10.60
Cash paid	(251.53)

**For acquired receivables:**

Particulars	As on date of acquisition
The gross contractual amounts receivable	22.62
The best estimate at the acquisition date of contractual cash flows not expected to be collected (provision)	-
	<b>22.62</b>

The acquired business contributed revenues of INR 20.48 million and profit before tax of INR 5.29 million to the Group for the period 7 February 2022 to 31 March 2022. If the acquisitions had occurred on 1 April 2021, pro-forma revenue and profit before tax for the year ended 31 March 2022 would have been INR 6,510.3 million and INR 2,027.75 million, respectively.

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')****Annexure VI : Notes to Restated Consolidated Financial Information***(All amounts are in INR millions, unless otherwise stated)***43 Business combination (continued)****B) Business combination with Sundaram Fund Services Limited**

During the year ended 31 March 2020, the Parent Company entered into a "Business Transfer Agreement" ('BTA') dated 7th August 2019 with Sundaram Fund Services Limited (formerly known as 'Sundaram BNP Paribas Fund Services Limited' ('SBFS')) to acquire the business of Registrar to an issue and share transfer agent for securities (including mutual fund units), back office and fund accounting services to alternative investment funds or private equity clients of SBFS on a slump sale basis. The business purchase was effective from 11 November 2019. Such business combination has been accounted for by the company in accordance with IndAS 103 as follows:

- all assets and liabilities pertaining to business transferred to the Parent Company have been recorded at their fair values as at 11 November 2019;
- Certain assets not recorded by SBFS such as customer contracts have been recorded by the company at their fair values;
- the purchase consideration has been recorded at fair value; and
- the difference between the purchase consideration and the net book value of assets as per (a) and (b) above has been recorded as Goodwill.

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

Particulars	Amount
<b>Purchase consideration (A)</b>	<b>265.34</b>
<b>Fair value of identifiable assets and liabilities acquired</b>	
<b>Assets</b>	
Property, plant and equipment	31.11
Intangible assets	
a) Customer contracts	218.98
b) Computer software	1.65
<b>Total assets (B)</b>	<b>251.74</b>
<b>Total liabilities (C)</b>	<b>-</b>
<b>Net assets (D=B-C)</b>	<b>251.74</b>
<b>Goodwill (A-D)</b>	<b>13.60</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
Property, plant and equipment and computer software	Cost technique: The valuation model considers depreciated replacement cost when appropriate.
Customer contracts	Income based approach method: 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.

The fair value of assets and liabilities have been computed by a third party valuer vide their report dated 15 May 2020.

Pursuant to the BTA, 190 employees has been transferred from SBFS to the Parent Company. Accordingly, compensated absences aggregating to INR 2.85 million and gratuity liability INR Nil (net of fund value of assets transferred – INR 9.50 million) has been transferred to the Group. The net impact on Goodwill is Nil as these liabilities are adjusted against the purchase consideration.

The business rationale of this business combination was to enable the Group to increase the market share through new customers.

The acquired business contributed revenues of INR 105.50 million and profit before tax of INR 16.73 million to the Group for the period 11 November 2019 to 31 March 2020. If the acquisitions had occurred on 1 April 2019, pro-forma revenue and profit before tax for the year ended 31 March 2021 would have been INR 4,646.05 million and INR 220.05 million, respectively.

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')****Annexure VI : Notes to Restated Consolidated Financial Information***(All amounts are in INR millions, unless otherwise stated)***43 Business combination (continued)****C) 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 or 'transferor company'), 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 INR. 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 INR. 1,093.75 million has been recorded as Goodwill.

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

<b>Particulars</b>	<b>Amount</b>
<b>Book value of assets and liabilities transferred:</b>	
Property, plant and equipment	0.62
Trade receivable	6.39
Investment in KCPL	0.13
<b>Total assets</b>	<b>7.14</b>
Current Liabilities	0.89
<b>Total liabilities</b>	<b>0.89</b>
<b>Net assets - (A)</b>	<b>6.25</b>
Face value of equity shares issued to shareholders of KCL - <b>(B)</b>	1,100.00
<b>Goodwill = (B) - (A)</b>	<b>1,093.75</b>

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')****Annexure VI : Notes to Restated Consolidated Financial Information***(All amounts are in INR millions, unless otherwise stated)***43 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:

- all assets and liabilities of KCPL have been recorded at their existing book values as at 16 November 2018;
- 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 INR. 5,600.36 million has been recorded as Goodwill.

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

<b>Particulars</b>	<b>Amount</b>
<b>Book value of assets and liabilities acquired:</b>	
Non-current assets	772.69
Other non-current assets	7.90
Other current financial assets	2,707.56
Other current assets	46.13
<b>Total assets (A)</b>	<b>3,534.28</b>
Non current provisions	44.98
Current provisions	25.22
Trade payables	306.59
Other financial liability	379.98
Other current liability	111.29
Current tax liabilities (net)	134.61
<b>Total liabilities (B)</b>	<b>1,002.67</b>
<b>Net Assets (A-B)</b>	<b>2,531.61</b>
<b>Calculation of goodwill</b>	
Investment in KCPL in the books of the Group	8,131.96
Less: Net assets	2,531.61
<b>Goodwill</b>	<b>5,600.35</b>

As per the Scheme, the cumulative goodwill arising on the transaction amounting to INR. 6,694.10 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 Group 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 Group 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 Group 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 INR 7,046.61 million with a consequential impact of Goodwill/ Intangible assets.

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 42 to Annexure VI for further details of Impairment testing of goodwill.

The business rationale of this amalgamation was to enable better and more efficient management, control and running of the RTA business. KCPL had obtained a no objection from SEBI for the change of control and from PFRDA for the amalgamation.

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')**
**Annexure VI : Notes to Restated Consolidated Financial Information**
*(All amounts are in INR millions, unless otherwise stated)*
**44 Impact of COVID-19**

The Group has taken into account the possible impacts of COVID-19 in preparation of these Restated Consolidated Financial Information, including but not limited to its assessment of, liquidity and going concern assumptions, recoverable values of its financial and non-financial assets. The Group has carried out this assessment based on available internal and external sources of information up to the date of approval of these Restated Consolidated Financial Information and believes that the impact of COVID-19 is not material to these Restated Consolidated Financial Information and expects to recover the carrying amount of its assets. The impact of COVID-19 on the Restated Consolidated Financial Information may differ from that estimated as at the date of approval of these Restated Consolidated Financial Information owing to the nature and duration of COVID-19.

**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 30 September 2022. The revised number of options available under the ESOP plan 2020 pool are 7,093,839 equity shares as at 30 September 2022 (30 September 2021: 7,093,839; 31 March 2022: 7,093,839; 31 March 2021: 7,093,839 and 31 March 2020: 9,593,839). The options under these schemes vest to the employees based on various performance and other parameters. As at 30 September 2022, the Parent Company has granted 6,115,464 (net) (30 September 2021: 2,640,688; 31 March 2022: 6,502,763; 31 March 2021: 2,666,728; 31 March 2020: 2,735,038 (net)) options to eligible employees as identified by the NRC. These options vest between a minimum of 1 to 3.65 years from the date of grant.

**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	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20 1-Nov-21	1-Nov-21 24-March-22	1-Nov-21 24-March-22	1-Nov-21	24-March-22
Number of options in pool								7,093,839
<b>Total number of options granted as at</b>								
As at 30 September 2022	971,974	1,329,603	1,189,308	1,754,465	368,394	303,380	198,340	
As at 30 September 2021	1,056,275	792,208	792,205	-	-	-	-	
As at 31 March 2022	1,002,514	1,392,641	1,223,370	1,903,905	385,170	396,823	198,340	
As at 31 March 2021	1,066,691	800,019	800,018	-	-	-	-	
As at 31 March 2020	1,094,016	820,511	820,511	-	-	-	-	
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 non-market based 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% on 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% on 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	

**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	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20 1-Nov-21	1-Nov-21 24-March-22	1-Nov-21 24-March-22	1-Nov-21	24-March-22
Fair Value of option (In INR)	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	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	4.16 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 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 30 September 2022 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: 3.77 years as at 30 September 2021: 0.27 years post lock in period of 1 year and average life of 3.5 years; 30 September 2021 : 7.06 years as at 30 September 2022 3.5 years post lock in period of 3.5 year and average life of 3.5 years; 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 and 31 March 2020: 8.15 years post lock in period of 4.65 years and average life of 3.5 years from the date of listing).



**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')**  
**Annexure VI : Notes to Restated Consolidated Financial Information**  
*(All amounts are in INR millions, unless otherwise stated)*

**45 Share Based Payments (continued)**

**C Reconciliation of share options**

Particulars	Number of options	Number of options	Number of options	Number of options	Number of options
	as at 30 September 2022	as at 30 September 2021	as at 31 March 2022	as at 31 March 2021	as at 31 March 2020
Outstanding at beginning of the period/ year	6,502,563	2,666,728	2,666,728	2,735,038	-
Granted during the period/ year	-	-	4,064,126	1,815,586	3,014,698
Forfeited during the period/ year	(387,299)	(26,040)	(228,091)	(1,883,896)	(279,660)
Exercised during the period/ year	-	-	(200)	-	-
<b>Outstanding at end of the period/ year</b>	<b>6,115,264</b>	<b>2,640,688</b>	<b>6,502,563</b>	<b>2,666,728</b>	<b>2,735,038</b>
Exercisable at the end of the period/ year	-	-	-	-	-

During the period ended 30 September 2022, the Parent Company has granted Nil options (30 September 2021: Nil; 31 March 2022: 4,064,126; 31 March 2021: 1,815,586; 31 March 2020: 3,014,698) 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 Restated Consolidated Statement of Profits and Loss and on its financial position**

Particulars	For the six months	For the six months	For the year ended	For the year ended	For the year ended
	period ended 30 September 2022	period ended 30 September 2021	31 March 2022	31 March 2021	31 March 2020
Total employee compensation cost pertaining to stock option plan (Refer Note 29 to Annexure VI)	61.26	28.49	91.55	12.16	16.81
Reserves- Employee stock option plan outstanding as at the period/ year end	181.77	57.46	120.51	28.97	16.81

**46 Revenue from contract with customers**

(a) Type of Service	Timing of recognition	For the six months	For the six months	For the year ended	For the year ended	For the year ended
		period ended 30 September 2022	period ended 30 September 2021	31 March 2022	31 March 2021	31 March 2020
Fee from registrars and investor services*	Over the period	3,099.83	2,590.66	5,706.34	4,165.42	3,747.07
Income from data processing	Over the period	227.27	205.49	422.44	420.18	361.77
Income from pension fund solutions	Over the period	32.34	15.68	36.45	26.76	13.50
Recoverable expenses*	Over the period	128.24	97.18	229.84	199.08	376.37
<b>Total</b>		<b>3,487.68</b>	<b>2,909.01</b>	<b>6,395.07</b>	<b>4,811.44</b>	<b>4,498.71</b>

\*Fee from registrars and investor services and recoverable expenses has been reported as Registry services under Note 37 to Annexure VI

**(b) Contract balances:**

Particulars	As at	As at	As at	As at	As at
	30 September 2022	30 September 2021	31 March 2022	31 March 2021	31 March 2020
Trade receivables, net	1,419.61	1,050.71	1,125.96	1,105.92	883.18
Retention money receivables, net	-	-	-	-	72.41
Contract liabilities (unearned income and advance from customers)	(63.92)	(53.00)	(55.67)	(42.20)	(35.57)

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 six months	For the six months	For the year ended	For the year ended	For the year ended
	period ended 30 September 2022	period ended 30 September 2021	31 March 2022	31 March 2021	31 March 2020
Contract price	3,526.66	2,924.17	6,421.53	4,811.44	4,518.77
Less : Adjustments for price concessions/ credits	(38.98)	(15.16)	(26.46)	-	(20.06)
<b>Revenue from operations</b>	<b>3,487.68</b>	<b>2,909.01</b>	<b>6,395.07</b>	<b>4,811.44</b>	<b>4,498.71</b>

**(d) Movement in contract liabilities (Unearned income)**

Particulars	For the six months	For the six months	For the year ended	For the year ended	For the year ended
	period ended 30 September 2022	period ended 30 September 2021	31 March 2022	31 March 2021	31 March 2020
Opening balance	14.50	13.14	13.14	9.46	7.41
Add: Invoices deferred during the period/ year	37.78	137.99	131.88	128.07	82.05
Less: Revenue recognised during the period/ year	(16.40)	(122.99)	(130.52)	(124.39)	(80.00)
<b>Closing balance of deferred revenue</b>	<b>35.88</b>	<b>28.14</b>	<b>14.50</b>	<b>13.14</b>	<b>9.46</b>

**Performance obligation :-** The Group enters into contracts with customers for rendering Corporate Registry, Data Processing and Pension Fund Solutions services. The performance obligation for all of these services is satisfied over the period. There is no complexity involved in determination of performance obligation in contract with customers.

**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 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.

**47** In FY 2020-2021, the Group vide letter dated 02 March 2021 has surrendered its license for operating as a Depository Participant (DP) as it does not plan to launch the DP operations due to change in the business plans/ strategy to Central Depository Services Limited (CSDL) and National Depository Services Limited (NSDL).

**48** As at 30 September 2022, the Parent Company has incurred expenses for various services in connection with proposed public offer of equity shares of aggregating to INR 160.76 million (30 September 2021: INR Nil million; 31 March 2022: INR 84.72 millions; 31 March 2021: Nil; 31 March 2020: Nil) for Initial Public Offering (IPO). In accordance with the Offer Agreement entered between the Company and the selling shareholders, the selling shareholders 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.

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

**Annexure VI : Notes to Restated Consolidated Financial Information**

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

**49. 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 30 September 2022**

Name of the entity	Net assets (total assets minus total liabilities)		Share in profit or loss		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	100.26%	7,386.58	100.68%	859.25	100%	9.02	100.67%	868.27
<b>Subsidiary in India</b>								
KFin Services Private Limited	0.61%	44.82	0.05%	0.39	-	-	0.05%	0.39
Hexagram Fintech Private Limited	1.19%	87.60	-1.77%	(15.10)	-	-	-1.75%	(15.10)
<b>Foreign subsidiaries</b>								
KFin Technologies (Bahrain) W.L.L.	0.50%	36.81	-0.13%	(1.08)	-	-	-0.13%	(1.08)
KFin Technologies (Malaysia) SDN.BHD	0.62%	45.72	0.57%	4.86	-	-	0.56%	4.86
Hexagram Fintech (Malaysia) SDN.BHD	0.24%	17.97	0.94%	8.05	-	-	0.93%	8.05
Adjustment arising out of consolidation	-3.43%	(252.34)	-0.34%	(2.92)	-	-	-0.34%	(2.92)
<b>Total</b>	<b>100%</b>	<b>7,367.16</b>	<b>100%</b>	<b>853.45</b>	<b>100%</b>	<b>9.02</b>	<b>100%</b>	<b>862.47</b>

**As at 30 September 2021**

Name of the entity	Net assets (total assets minus total liabilities)		Share in profit or loss		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	100.00%	2,699.52	104.31%	707.21	100%	11.93	104.23%	719.14
<b>Subsidiary in India</b>								
KFin Services Private Limited	1.61%	43.59	-0.18%	(1.21)	-	-	-0.18%	(1.21)
Hexagram Fintech Private Limited	0.00%	-	0.00%	-	-	-	0.00%	-
<b>Foreign subsidiaries</b>								
KFin Technologies (Bahrain) W.L.L.	1.34%	36.08	0.16%	1.06	-	-	0.15%	1.06
KFin Technologies (Malaysia) SDN.BHD	1.28%	34.67	0.19%	1.31	-	-	0.19%	1.31
Hexagram Fintech (Malaysia) SDN.BHD	0.00%	-	0.00%	-	-	-	0.00%	-
Adjustment arising out of consolidation	-4.24%	(114.34)	-4.48%	(30.37)	-	-	-4.40%	(30.37)
<b>Total</b>	<b>100%</b>	<b>2,699.52</b>	<b>100%</b>	<b>678.00</b>	<b>100%</b>	<b>11.93</b>	<b>100%</b>	<b>689.93</b>

**As at 31 March 2022**

Name of the entity	Net assets (total assets minus total liabilities)		Share in profit or loss		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%	(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%	(2.43)	-	-	-0.16%	(2.43)
<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%	6.60	-	-	0.45%	6.60
Hexagram Fintech (Malaysia) SDN.BHD	0.16%	10.28	0.52%	7.73	-	-	0.52%	7.73
Adjustment arising out of consolidation	-3.41%	(219.42)	-3.18%	(47.24)	-	-	-3.19%	(47.24)
<b>Total</b>	<b>100%</b>	<b>6,443.43</b>	<b>100%</b>	<b>1,485.49</b>	<b>100%</b>	<b>(5.47)</b>	<b>100%</b>	<b>1,480.02</b>

**As at 31 March 2021**

Name of the entity	Net assets (total assets minus total liabilities)		Share in profit or loss		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	99.18%	3,435.64	104.35%	(673.14)	100.00%	1.19	104.36%	(671.95)
<b>Subsidiary in India</b>								
KFin Services Private Limited	-0.01%	(0.21)	0.03%	(0.21)	-	-	0.03%	(0.21)
<b>Foreign subsidiaries</b>								
KFin Technologies (Bahrain) W.L.L.	1.00%	34.61	-2.10%	13.52	-	-	-2.10%	13.52
KFin Technologies (Malaysia) SDN.BHD	1.83%	63.31	-1.41%	9.11	-	-	-1.41%	9.11
Adjustment arising out of consolidation	-2.00%	(69.31)	-0.88%	5.65	-	-	-0.88%	5.65
<b>Total</b>	<b>100%</b>	<b>3,464.04</b>	<b>100%</b>	<b>(645.07)</b>	<b>100%</b>	<b>1.19</b>	<b>100%</b>	<b>(643.88)</b>

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

**Annexure VI : Notes to Restated Consolidated Financial Information**

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

**49. 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 2020

Name of the entity	Net assets (total assets minus total liabilities)		Share in profit or loss		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	99.93%	4,093.06	129.87%	58.74	100.00%	(6.89)	135.24%	51.85
<b>Subsidiary in India</b>								
KFin Services Private Limited	0.00%	0.01	-0.20%	(0.09)			-0.23%	(0.09)
<b>Foreign subsidiaries</b>								
KFin Technologies (Bahrain) W.L.L.	0.62%	25.30	1.70%	0.77	-	-	2.01%	0.77
KFin Technologies (Malaysia) SDN.BHD	1.26%	51.46	13.64%	6.17	-	-	16.09%	6.17
Adjustment arising out of consolidation	-1.81%	(74.07)	-45.01%	(20.36)	-	-	-53.10%	(20.36)
<b>Total</b>	<b>100%</b>	<b>4,095.76</b>	<b>100%</b>	<b>45.23</b>	<b>100%</b>	<b>(6.89)</b>	<b>100%</b>	<b>38.34</b>

50. The pre-amalgamated Company (Refer Note 43(C)) 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 19 to Annexure VI) issued in October 2021, by INR 300.00 million (Refer Note 19(ii)(b) to Annexure VI). 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. 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 INR 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 INR 70.00 million during the year ended 31 March 2022. Pending the final settlement of terms to be agreed with the Client, the Management has measured the provision at its best estimate.

51. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. In view of this, impact if any, of the change will be assessed and accounted in the period of notification of the relevant provisions.

52. As at 30 September 2022, 30 September 2021, 31 March 2022, 31 March 2021 and 31 March 2020, the Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

53. 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.

54. 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:-.

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:-.

The Parent Company 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 transactions 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	6-Apr-21	45.00	Artivatic Data Labs Private Limited	8-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>

55 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 issued by the Registrar of Companies on 24 February 2022.

As per our Report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 116231 W/W-100024

for and on behalf of Board of Directors of

**KFin Technologies Limited**

CIN: U72400TG2017PLC117649

**Amit Kumar Bajaj**

Partner

Membership No.: 218685

Place: Hyderabad

Date: 17 November 2022

**Vishwanathan M Nair**

Chairman

DIN: 02284165

Place: Jaipur

Date: 17 November 2022

**Sreekanth Nadella**

Managing Director

DIN: 08659728

Place: Mumbai

Date: 17 November 2022

**Vivek Narayan Mathur**

Chief Financial Officer

Membership No.: A089454

Place: Mumbai

Date: 17 November 2022

**Alpana Uttam Kundu**

Company Secretary

Membership No.: F10191

Place: Mumbai

Date: 17 November 2022

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')**  
**Annexure VII - Statement of Adjustments to the Restated Consolidated Financial Information**  
*(All amounts are in INR millions, unless otherwise stated)*

1. There are no restatement adjustments made to the equity of the Audited Consolidated Financial Statements of the Group for the period/ years ended 30 September 2022, 30 September 2021, 31 March 2022, 31 March 2021 and 31 March 2020.

2. Adjustments for audit qualification: None

**3. Non-adjusting items:**

**I. Modifications (Qualification/ Disclaimer/ Emphasis of Matter) in auditor's Report, which do not require any corrective adjustments in the Restated Consolidated Financial Information**

**(a) Emphasis of Matter (EOM)**

**In auditor's Report for the six-month periods ended 30 September 2022 and 30 September 2021**

A. The auditor's report has drawn attention to Note 43(C) to Annexure VI of the Restated Consolidated Financial Information or Note 45(B) of the Interim Consolidated 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 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 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.

Audit opinion is not modified in respect of this matter.

B. The auditor's report has drawn attention to Note 50 to Annexure VI of the Restated Consolidated Financial Information or Note 36 of the Interim 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 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 19 to the Restated Consolidated Financial Information) issued in October 2021, by INR 300 million (Refer Note 19(ii)(b) to the Restated Consolidated Financial Information), 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 70 million as a provision in the interim 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 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.

Audit opinion is not modified in respect of this matter.

**In auditor's Report for the year ended 31 March 2022:**

A. The auditor's report has drawn attention to Note 43(C) to Annexure VI of the Restated Consolidated Financial Information or Note 45(B) of the Consolidated financial statements for the year ended 31 March 22, 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.

During the current year, the Parent Company has obtained approval of NCLT on 02 March 2022 for not amortising goodwill with effect from 01 April 2021.

Audit opinion is not modified in respect of this matter.

B. The auditor's report has drawn attention to Note 50 to Annexure VI of the Restated Consolidated Financial Information or Note 52 of the interim 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 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 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 (refer Note 20 to the Restated Consolidated Financial Information) issued in October 2021, by INR 300.00 million (Refer Note 19(ii)(b) to the Restated Consolidated Financial Information), 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 4.10 million was also transferred back to the Client.

The Parent Company has recognised an amount of INR 70.00 million as a provision in the Restated 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 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.

Audit opinion is not modified in respect of this matter.

**In auditor's Report for the year ended 31 March 2021:**

The auditor's report has drawn attention to the Note 44(B) of Restated Consolidated Financial Information or Note 45 of consolidated financial statements of the financial year ended 31 March 2021 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 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 6,694.10 millions had been debited to Goodwill. This Goodwill is being amortised over a period of ten years as per the terms of the Scheme and is also tested for impairment every year. Such accounting treatment of this transaction is 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. Since no evaluation of the fair value of assets, liabilities and consideration as at the date of the aforesaid amalgamation has been made by the management in view of the NCLT order referred to above, the impact of this deviation cannot be determined. The effect of the aforesaid deviation in the accounting treatment continues in the financial statements of the current year.

Audit opinion is not qualified in respect of this matter.

**KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited')**  
**Annexure VII - Statement of Adjustments to the Restated Consolidated Financial Information**  
*(All amounts are in INR millions, unless otherwise stated)*

**I. Modifications (Qualification/ Disclaimer/ Emphasis of Matter) in auditor's Report, which do not require any corrective adjustments in the Restated Consolidated Financial Information (continued)**

**In auditor's Report for the year ended 31 March 2020:**

The auditor's report has drawn attention to the Note 44(B) of Annexure VI of Restated Consolidated Financial Information or Note 44 of consolidated financial statements of the financial year ended 31 March 2020 regarding the amalgamation of Karvy Computershare Private Limited (KCPL) and the 'RTA Undertaking' of Karvy Consultants Limited (KCL) into the Company accounted for the previous year with effect from 17 November 2018. In accordance with the scheme approved by 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 6,694.10 millions had been debited to Goodwill. This Goodwill is being amortised over a period of ten years as per the terms of the Scheme and is also tested for impairment every year. Such accounting treatment of this transaction is 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. Since no evaluation of the fair value of assets, liabilities and consideration as at the date of the aforesaid amalgamation has been made by the management in view of the NCLT order referred to above, the impact of this deviation cannot be determined. The effect of the aforesaid deviation in the accounting treatment continues in the financial statements of the current year.

Audit opinion is not qualified in respect of this matter.

**(b) Audit Qualifications in Annexure to auditor's Report, which do not require any corrective adjustments in the Restated Ind AS Consolidated Summary Statement**

Other audit qualifications included in the Annexure to the auditor's reports issued under Companies (Auditor's Report) Order, 2016, on the financial statements of the Parent Company for the year ended 31 March 2022, 31 March 2021 and 31 March 2020 which do not require any corrective adjustment in the Restated Ind AS Consolidated Summary Statement are as follows:

**For the year ended 31 March 2022:**

**(ii) Clause (vii) (b) of CARO 2020 order :** 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 dues of Sales tax and Goods and Service Tax which have not been deposited with appropriate authorities on account of any dispute other than the dues of Income tax and Service tax as set out below:

Name of statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income taxes	4.75	2007-08	High Court of Telangana
Income tax Act, 1961	Income taxes	0.91	2015-16	The Commissioner of Income Tax (Appeal)
Income tax Act, 1961	Income taxes	1.09	2016-17	The Deputy Commissioner of Income Tax
Income tax Act, 1961	Income taxes	3.11	2018-19	The Deputy Commissioner of Income Tax

**For the year ended 31 March 2021:**

**(ii) Clause (vii) (b) of CARO 2016 order :** 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 dues of Sales tax and Goods and Service Tax which have not been deposited with appropriate authorities on account of any dispute other than the dues of Income tax and Service tax as set out below:

Name of statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	114.61 (excluding interest and penalty)	September 2004 to January 2007	Customs, Excise and Service Tax Appellate Tribunal
Income tax Act, 1961	Income taxes	4.75	2007-08	High Court of Telangana
Income tax Act, 1961	Income taxes	0.91	2015-16	The Commissioner of Income Tax (Appeal)
Income tax Act, 1961	Income taxes	1.09	2016-17	The Deputy Commissioner of Income Tax
Income tax Act, 1961	Income taxes	3.11	2018-19	The Deputy Commissioner of Income Tax

**For the year ended 31 March 2020:**

**(ii) Clause (vii) (b) of CARO 2016 order :** 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 dues of Sales tax and Goods and Service Tax which have not been deposited with appropriate authorities on account of any dispute other than the dues of Income tax and Service tax as set out below:

Name of statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	114.61 (excluding interest and penalty)	September 2004 to January 2007	Customs, Excise and Service Tax Appellate Tribunal
Income tax Act, 1961	Income taxes	4.75	2007-08	High Court of Telangana
Income tax Act, 1961	Income taxes	0.91	2015-16	The Commissioner of Income Tax (Appeal)
Income tax Act, 1961	Income taxes	1.09	2016-17	The Deputy Commissioner of Income Tax

**4. Material Regrouping :**

Appropriate regroupings have been made in the Restated Consolidated Balance Sheet, Restated Consolidated Statement of Profit and Loss and Restated Statement of Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cashflows, in order to bring them in line with the accounting policies and classification as per Ind AS financial information of the Company for the six months period ended 30 September 2022 prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2018, as amended.

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

for and on behalf of Board of Directors of  
**KFin Technologies Limited**  
CIN: U72400TG2017PLC117649

**Amit Kumar Bajaj**  
Partner

**Vishwanathan M Nair**  
Chairman

**Sreekanth Nadella**  
Managing Director

**Vivek Narayan Mathur**  
Chief Financial Officer

**Alpana Uttam Kundu**  
Company Secretary

Membership No.: 218685

DIN: 02284165

DIN: 08659728

Membership No.: A089454

Membership No.: F10191

Place: Hyderabad  
Date: 17 November 2022

Place: Jaipur  
Date: 17 November 2022

Place: Mumbai  
Date: 17 November 2022

Place: Mumbai  
Date: 17 November 2022

Place: Mumbai  
Date: 17 November 2022

## OTHER FINANCIAL INFORMATION

The audited standalone financial statements of our Company for the years ended March 31, 2022, March 31, 2021, and March 31, 2020, together with all annexures, schedules and notes thereto (“**Audited Financial Statements**”) are available at <https://www.kfintech.com/wp-content/uploads/2022/03/Audited-financial-statements.pdf>. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the “**Group**”) and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any Book Running Lead Managers or the Promoter Selling Shareholder, nor any of their respective employees, directors, shareholders, affiliates, agents, advisors or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein. The accounting ratios derived from Restated Consolidated Financial Information required to be disclosed under the SEBI ICDR Regulations are set forth below:

(₹ in million)

Particulars	For the six months period ended September 30, 2022	For the six months period ended September 30, 2021	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Basic earnings per share (in ₹)	5.09*	4.49*	9.44	(4.28)	0.28
Diluted earnings per share (in ₹)	5.05*	4.49*	9.36	(4.28)	0.28
Return on Net worth (%)	24.72%	44.00%	29.99%	(17.07)%	0.97%
Net Asset Value per Equity Share (in ₹)	43.96	17.90	38.45	22.96	27.15
Profit/(Loss) for the period/ year	853.45	678.00	1,485.49	(645.07)	45.23
Profit margin (%)	24.47%	23.31%	23.23%	(13.41)%	1.01%
EBITDA (in ₹ million)	1,384.95	1,326.86	2,939.08	2,174.51	1,640.21
EBITDA Margin (%)	39.15%	45.22%	45.53%	44.72%	36.03%

\*Not annualized

Notes:

(1) The ratios on the basis of Restated Consolidated Financial Information have been computed as below:

- i. Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). As at September 30, 2022, September 30, 2021, March 31, 2022, March 31, 2021, and March 31, 2020, there are potential equity shares. For the year ended March 31 2021, the Dilutive EPS and the Basic EPS are same as they are anti-dilutive. For the period ended September 30, 2022 and September 30, 2021, EPS is not annualized.
- ii. Return on Net Worth (%) is calculated by dividing Restated profit / (loss) attributable to owners of the Company by average of Equity attributable to owners of the Company as at beginning and end of the respective period / year end. For the period ended September 30, 2022 and September 30, 2021, return on net worth % is annualized.
- iii. Net Asset Value per equity share is calculated by dividing Restated equity attributable to owners of the Company by Outstanding number of equity shares outstanding during the period/ year.
- iv. EBITDA is calculated as the sum of Restated profit / (loss) for the period/ year, total tax expenses, finance costs and Depreciation and amortisation expense.
- v. EBITDA margin is calculated as EBITDA / Total income for the period/ year.

## Reconciliation to Non-GAAP Measures

(₹ in million)

<b>(i) Reconciliation of Net asset value per Equity share</b>					
Particulars	For the six months period ended September 30, 2022	For the six months period ended September 30, 2021	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Total equity attributable to the owners of the Company (A)	7,367.16	2,699.52	6,443.43	3,464.04	4,095.76
Outstanding number of equity shares at the end of the year (B)	167,568,883	150,843,583	167,568,883	150,843,583	150,843,583
<b>Net asset value per Equity share - (A)/(B)</b>	<b>43.96</b>	<b>17.90</b>	<b>38.45</b>	<b>22.96</b>	<b>27.15</b>

(₹ in million)

<b>(ii) Reconciliation of Net worth</b>					
Particulars	For the six months period ended September 30, 2022	For the six months period ended September 30, 2021	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Equity share capital	1,675.69	1,508.43	1,675.69	1,508.43	1,508.43
Other equity	5,691.47	1,191.09	4,767.74	1,955.61	2,587.33
<b>Net worth</b>	<b>7,367.16</b>	<b>2,699.52</b>	<b>6,443.43</b>	<b>3,464.04</b>	<b>4,095.76</b>

(₹ in million)

<b>(iii) Reconciliation of Return on Net worth</b>					
Particulars	For the six months period ended September 30, 2022	For the six months period ended September 30, 2021	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Profit/ (loss) for the period/ year (A)	853.45	678.00	1,485.49	(645.07)	45.23
Net worth as at beginning of the period/ year (B)	6,443.43	3,464.04	3,464.04	4,095.76	5,192.77
Net worth as at period/ year end(C)	7,367.16	2,699.52	6,443.43	3,464.04	4,095.76
<b>Return on Net worth - (A)/ Average of (B and C)</b>	<b>24.72%*</b>	<b>44.00%*</b>	<b>29.99%</b>	<b>-17.07%</b>	<b>0.97%</b>

\*Annualized

(₹ in million)

<b>(iv) Reconciliation of EBITDA</b>					
Particulars	For the six months period ended September 30, 2022	For the six months period ended September 30, 2021	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Profit/ (loss) for the period/ year	853.45	678.00	1,485.49	(645.07)	45.23
Add: Tax expense	253.14	230.75	554.51	1,320.15	139.84
Add: Finance costs	52.37	242.94	528.83	519.54	533.02
Add: Depreciation and amortisation expense	225.99	175.17	370.25	979.89	922.12
<b>EBITDA (A)</b>	<b>1,384.95</b>	<b>1,326.86</b>	<b>2,939.08</b>	<b>2,174.51</b>	<b>1,640.21</b>
Total Income (B)	3,537.63	2,934.33	6,455.64	4,861.98	4,552.65
<b>EBITDA margin - (A)/(B)</b>	<b>39.15%</b>	<b>45.22%</b>	<b>45.53%</b>	<b>44.72%</b>	<b>36.03%</b>

(₹ in million)

<b>(v) Reconciliation of Adjusted EBITDA</b>					
Particulars	For the six months period ended September 30, 2022	For the six months period ended September 30, 2021	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Profit/ (loss) for the period/year	853.45	678.00	1,485.49	(645.07)	45.23
Add: Tax expenses	253.14	230.75	554.51	1,320.15	139.84
Add: Finance cost	52.37	242.94	528.83	519.54	533.02
Add: Depreciation and amortisation expenses	225.99	175.17	370.25	979.89	922.12
Less: Other income	49.95	25.32	60.57	50.54	53.94
<b>Adjusted EBITDA (A)</b>	<b>1,335.00</b>	<b>1,301.54</b>	<b>2,878.51</b>	<b>2,123.97</b>	<b>1,586.27</b>
Revenue from operations (B)	3,487.68	2,909.01	6,395.07	4,811.44	4,498.71
<b>Adjusted EBITDA margin - (A)/(B)</b>	<b>38.28%</b>	<b>44.74%</b>	<b>45.01%</b>	<b>44.14%</b>	<b>35.26%</b>

(₹ in million)

<b>(vi) Reconciliation of Operating EBITDA</b>					
Particulars	For the six months period ended September 30, 2022	For the six months period ended September 30, 2021	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Adjusted EBITDA (A)	1,335.00	1,301.54	2,878.51	2,123.97	1,586.27
<b>Less: Ind AS 116 adjustments (B)</b>	<b>78.41</b>	<b>70.11</b>	<b>145.17</b>	<b>147.07</b>	<b>109.92</b>
Unwinding of interest on lease liabilities	15.15	15.23	30.89	36.36	25.66
Depreciation of right of use asset	63.26	54.88	114.28	110.71	84.26
<b>Operating EBITDA (C) = (A)-(B)</b>	<b>1,256.59</b>	<b>1,231.43</b>	<b>2,733.34</b>	<b>1,976.90</b>	<b>1,476.35</b>
<b>Revenue from operations (D)</b>	<b>3,487.68</b>	<b>2,909.01</b>	<b>6,395.07</b>	<b>4,811.44</b>	<b>4,498.71</b>
<b>Operating EBITDA margin - (C)/(D)</b>	<b>36.03%</b>	<b>42.33%</b>	<b>42.74%</b>	<b>41.09%</b>	<b>32.82%</b>

(₹ in million)

<b>(vii) Reconciliation of Operating EBITDA to EBIT excluding goodwill and right of use asset amortisation</b>					
Particulars	For the six months period ended September 30, 2022	For the six months period ended September 30, 2021	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Operating EBITDA	1,256.59	1,231.43	2,733.34	1,976.90	1,476.35
Less: Depreciation and amortisation expense (Excluding amortisation on goodwill and depreciation of right of use asset)	162.73	120.29	255.97	199.96	166.80
<b>EBIT</b>	<b>1,093.86</b>	<b>1,111.14</b>	<b>2,477.37</b>	<b>1,776.94</b>	<b>1,309.55</b>
<b>Operating EBITDA to EBIT excluding goodwill and right of use asset amortisation</b>	<b>87.05%</b>	<b>90.23%</b>	<b>90.64%</b>	<b>89.89%</b>	<b>88.70%</b>

(₹ in million)

<b>(viii) Reconciliation of Free cash flows</b>					
Particulars	For the six months period ended September 30, 2022	For the six months period ended September 30, 2021	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Cash generated from operations	971.06	1,417.81	3,023.14	2,075.01	1,314.85
Add: Interest income on Bank deposits	0.95	0.36	0.90	2.00	11.07
Add: Dividend income from investment in mutual funds	30.26	16.37	45.07	19.90	32.22
Less: Income taxes paid, net of refunds	(282.60)	(202.70)	(496.77)	(28.67)	(300.49)
Less: Purchase of property, plant and equipment (including capital work-in-progress, capital advances, capital creditors and net off	(126.90)	(82.99)	(204.62)	(56.46)	(49.04)



<b>(viii) Reconciliation of Free cash flows</b>					
Particulars	For the six months period ended September 30, 2022	For the six months period ended September 30, 2021	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
proceeds from sale of property, plant and equipment)					
Less: Purchase of goodwill and intangible assets (including intangibles under development)	(184.78)	(132.16)	(476.20)	(240.56)	(25.84)
Less: Payment of lease liabilities	(72.20)	(64.80)	(132.79)	(117.78)	(91.10)
<b>Free cash flows</b>	<b>335.79</b>	<b>951.89</b>	<b>1,758.73</b>	<b>1,653.44</b>	<b>891.67</b>

(₹ in million)

<b>(ix) Reconciliation of Free cash flow conversion from operating EBITDA</b>					
Particulars	For the six months period ended September 30, 2022	For the six months period ended September 30, 2021	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Free cash flows	335.79	951.89	1,758.73	1,653.44	891.67
Operating EBITDA (B)	1,256.59	1,231.43	2,733.34	1,976.90	1,476.35
<b>Free cash flow conversion from operating EBITDA - (A)/(B)</b>	<b>26.72%</b>	<b>77.30%</b>	<b>64.34%</b>	<b>83.64%</b>	<b>60.40%</b>

(₹ in million)

<b>(x) Reconciliation of Capital employed</b>					
Particulars	For the six months period ended September 30, 2022	For the six months period ended September 30, 2021	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Total Assets (A)	11,148.08	9,732.55	10,264.09	9,226.12	8,683.84
Current liabilities (B)	(1,000.06)	(1,793.66)	(1,016.19)	(1,236.03)	(821.63)
Current investments (C)	(1,297.41)	(1,325.45)	(930.83)	(949.09)	(135.44)
Cash and cash equivalents (D)	(422.74)	(284.58)	(450.33)	(229.26)	(116.62)
Bank balances other than cash and cash equivalents (E)	(1.56)	(5.16)	(1.53)	(5.43)	(61.56)
<b>Capital employed -(A)-(B)-(C)-(D)-(E)</b>	<b>8,426.31</b>	<b>6,323.70</b>	<b>7,865.21</b>	<b>6,806.31</b>	<b>7,548.59</b>

(₹ in million)

<b>(xi) Reconciliation of Return on capital deployed</b>		
Particulars	As at and for the period ended September 30, 2022	As at and for the year ended March 31, 2022
EBIT (A)	1,093.86	2,477.37
Capital employed (B)	8,426.31	7,865.21
<b>Effective tax rate (C)</b>	<b>22.88%</b>	
<b>Return on capital deployed – post effective tax (A*(1-C) /Average of (B)</b>	<b>10.36%</b>	
<b>Annualized Return on capital deployed</b>	<b>20.71%</b>	

(₹ in million)

<b>(xii) Reconciliation of Capital expenditure as a % of revenue from operations</b>					
<b>Particulars</b>	<b>For the six months period ended September 30, 2022</b>	<b>For the six months period ended September 30, 2021</b>	<b>As at and for the year ended March 31, 2022</b>	<b>As at and for the year ended March 31, 2021</b>	<b>As at and for the year ended March 31, 2020</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) - <b>(A)</b>	126.90	82.99	204.62	56.46	49.04
Purchase of goodwill and intangible assets (including intangibles under development) - <b>(B)</b>	184.78	132.16	476.20	240.56	25.84
Revenue from operations <b>(C)</b>	3,487.68	2,909.01	6,395.07	4,811.44	4,498.71
<b>Capital expenditure as a % of revenue from operations - (A)+(B)/(C)</b>	<b>8.94%</b>	<b>7.40%</b>	<b>10.65%</b>	<b>6.17%</b>	<b>1.66%</b>

(₹ in million)

<b>(xiii) Reconciliation of Asset turnover ratio</b>					
<b>Particulars</b>	<b>For the six months period ended September 30, 2022</b>	<b>For the six months period ended September 30, 2021</b>	<b>As at and for the year ended March 31, 2022</b>	<b>As at and for the year ended March 31, 2021</b>	<b>As at and for the year ended March 31, 2020</b>
Revenue from operations (A)	3,487.68	2,909.01	6,395.07	4,811.44	4,498.71
Capital employed	8,426.31	6,323.70	7,865.21	6,806.31	7,548.59
Less: Goodwill	(5,434.31)	(5,245.54)	(5,434.31)	(5,245.54)	(5,914.76)
Adjusted Capital employed as at period/ year end <b>(B)</b>	2,992.00	1,078.16	2,430.90	1,560.77	1,633.83
Adjusted Capital employed as at beginning of the period/ year <b>(C)</b>	2,430.90	1,560.77	1,560.77	1,633.83	960.07
<b>Asset turnover ratio - (A)/ Average of (B) and (C)</b>	<b>2.57x*</b>	<b>4.41x*</b>	<b>3.20x</b>	<b>3.01x</b>	<b>3.47x</b>

\*Annualized

(₹ in million)

<b>(xiv) Reconciliation of PAT Margin</b>					
<b>Particulars</b>	<b>For the six months period ended September 30, 2022</b>	<b>For the six months period ended September 30, 2021</b>	<b>As at and for the year ended March 31, 2022</b>	<b>As at and for the year ended March 31, 2021</b>	<b>As at and for the year ended March 31, 2020</b>
Profit/ (loss) for the period/ year <b>(A)</b>	853.45	678.00	1,485.49	(645.07)	45.23
Revenue from operations <b>(B)</b>	3,487.68	2,909.01	6,395.07	4,811.44	4,498.71
<b>PAT Margin - (A/B)</b>	<b>24.47%</b>	<b>23.31%</b>	<b>23.23%</b>	<b>-13.41%</b>	<b>1.01%</b>

(₹ in million)

<b>(xv) Reconciliation of Adjusted PAT Margin</b>					
<b>Particulars</b>	<b>For the six months period ended September 30, 2022</b>	<b>For the six months period ended September 30, 2021</b>	<b>As at and for the year ended March 31, 2022</b>	<b>As at and for the year ended March 31, 2021</b>	<b>As at and for the year ended March 31, 2020</b>
Profit/ (loss) for the period/ year	853.45	678.00	1,485.49	(645.07)	45.23
<b>Add:</b>					
Amortisation of goodwill	-	-	-	669.22	671.06
Impact of change in Finance Act, 2021	-	-	-	1,119.24	-
<b>Adjusted Profit/ (loss) for the period/ year (A)</b>	<b>853.45</b>	<b>678.00</b>	<b>1,485.49</b>	<b>1,143.39</b>	<b>716.29</b>
Revenue from operations (B)	3,487.68	2,909.01	6,395.07	4,811.44	4,498.71
Other Income (C)	49.95	25.32	60.57	50.54	53.94
<b>Adjusted PAT Margin - (A/(B+C))</b>	<b>24.12%</b>	<b>23.11%</b>	<b>23.01%</b>	<b>23.52%</b>	<b>15.73%</b>

(₹ in million)

<b>(xvi) Reconciliation of Gross Profit Margin</b>					
<b>Particulars</b>	<b>For the six months period ended September 30, 2022</b>	<b>For the six months period ended September 30, 2021</b>	<b>As at and for the year ended March 31, 2022</b>	<b>As at and for the year ended March 31, 2021</b>	<b>As at and for the year ended March 31, 2020</b>
Revenue from operations (A)	3,487.68	2,909.01	6,395.07	4,811.44	4,498.71
Operating expenses (B)	1,388.51	1,155.52	2,464.38	1,963.21	2,184.51
<b>Gross Profit (C)</b>	<b>2,099.17</b>	<b>1,753.49</b>	<b>3,930.69</b>	<b>2,848.23</b>	<b>2,314.20</b>
Non-operating expenses	1,042.53	870.06	1,951.26	2,223.69	2,183.07
<b>Total Expenses</b>	<b>2,431.04</b>	<b>2,025.58</b>	<b>4,415.64</b>	<b>4,186.90</b>	<b>4,367.58</b>
<b>Gross Profit Margin - (C/A)</b>	<b>60.19%</b>	<b>60.28%</b>	<b>61.46%</b>	<b>59.20%</b>	<b>51.44%</b>

## **RELATED PARTY TRANSACTIONS**

For further details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 '*Related Party Transactions*' read with SEBI ICDR Regulations for the six months period ended September 30, 2022 and September 30, 2021, and the financial years ended March 31, 2022, March 31, 2021, and March 31, 2020 as reported in the Restated Consolidated Financial Information, see "*Financial Statements*" beginning on page 302.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with our Restated Consolidated Financial Information as of and for Fiscals 2020, 2021 and 2022 and six months ended September 30, 2021 and September 30, 2022, including the related annexures.*

*Unless otherwise indicated or context otherwise requires, the financial information for Fiscals 2020, 2021 and 2022 and six months ended September 30, 2021 and September 30, 2022, included herein is derived from the Restated Consolidated Financial Information, included in this Red Herring Prospectus. For further information, see "Financial Statements" on page 302.*

*A scheme of amalgamation was filed before the National Company Law Tribunal ("NCLT"), Hyderabad, between KCL, KCPL and our Company for the demerger of all assets and liabilities pertaining to the registrar and share transfer business of KCL (including but not limited to the equity investment of KCL in KCPL) into our Company on a going concern basis, the amalgamation of KCPL into our Company and the consequent dissolution of KCPL without winding up ("**Scheme of Amalgamation**"). The NCLT, Hyderabad, sanctioned and confirmed the Scheme of Amalgamation pursuant to an order dated October 23, 2018, which was effective from November 17, 2018. For further details, see "History and Certain Corporate Matters" on page 258.*

*Our Fiscal year ends on March 31 of each year. Accordingly, all references to a particular Fiscal are to the 12-month period ended March 31 of that year.*

*This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward looking statements as a result of factors such as those set forth under "Forward Looking Statements" and "Risk Factors" on pages 21 and 30, respectively.*

### Overview

We are a leading 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 provide several investor solutions including transaction origination and processing for mutual funds and private retirement schemes in Malaysia, Philippines and Hong Kong, on account of the following:

- As on September 30, 2022, we are India's largest investor solutions provider to Indian mutual funds, based on number of AMC clients serviced. (Source: CRISIL Report) We are providing services to 24 out of 41 AMCs in India, as on September 30, 2022, representing 59% of market share based on the number of AMC clients. (Source: CRISIL Report) In addition, we signed on two new AMCs that are yet to launch operations as on September 30, 2022. (Source: CRISIL Report) Further, through our acquisition of Hexagram, we serve six AMCs in India on fund accounting, of which, three are our existing AMC clients in India for investor solutions.
- As on September 30, 2022, we are the only investor and issuer solutions provider in India that offers services to asset managers such as mutual funds, alternative investment funds ("AIFs"), wealth managers and pension as well as corporate issuers in India, besides servicing overseas clients in South East Asia and Hong Kong. (Source: CRISIL Report) For details in relation to the peer set, see "Industry Overview" on page 151.
- We are servicing 301 funds of 192 asset managers in India as on September 30, 2022, representing 30% market share based on number of AIFs being serviced. (Source: CRISIL Report)
- We are one of the three operating central record keeping agencies ("CRAs") for the National Pension System ("NPS") in India as on September 30, 2022. (Source: CRISIL Report)
- As on June 30, 2022, out of the 60 AMCs in Malaysia across wholesale funds, unit trust funds and private retirement schemes as specified in the CRISIL Report, we are servicing 18 AMC clients in Malaysia in addition to three clients in Philippines and Hong Kong as on September 30, 2022. In addition, we have signed two new AMCs in Malaysia and one AMC in Singapore that are yet to launch operations as on September 30, 2022.

- We are the largest issuer solutions provider in India based on number of clients serviced, as on September 30, 2022. (Source: CRISIL Report) We are one of only two players of scale in India’s issuer solutions space where we hold a 46% market share based on the market capitalization of NSE 500 companies and a 37% market share based on number of clients serviced within NSE 500 companies, each as on September 30, 2022. (Source: CRISIL Report) Player of scale corresponds to entities with minimum 25% market share (in terms of serviced clients) within NSE 500 companies in the Indian issuer solutions space. (Source: CRISIL Report) We also had a 40% and 29% market share based on number of mainboard initial public offerings handled in Fiscal 2022 and six months ended September 30, 2022, respectively. (Source: CRISIL Report).

Our history of profitable growth is reflected in our profit for the year, gross profit and EBITDA evolution over recent years. Our revenue from operations grew at a CAGR of 19.23% between Fiscals 2020 and 2022, our revenue from operations less direct operating expenses (“**Gross Profit**”) grew at a CAGR of 30.33%, between Fiscals 2020 and Fiscal 2022, while over the same period, EBITDA for operations (calculated as sum of profit / (loss) for the period/year, depreciation and amortization expense, tax expense, finance costs less other income less sum of unwinding of interest on lease liabilities and depreciation on right-of-use assets (“**Ind AS 116 adjustments**”)) (“**Operating EBITDA**”) grew at a CAGR of 36.07%. Our revenue from operations less direct operating expenses / revenue from operations (“**Gross Margin**”) increased from 51.44% in Fiscal 2020 to 61.46% in Fiscal 2022 while our EBITDA for operations margin (calculated as Operating EBITDA/ revenue from operations) (“**Operating EBITDA Margin**”) increased from 32.82% in Fiscal 2020 to 42.74% in Fiscal 2022, driven by our revenue mix, operating leverage, adoption of our platform as a service model, higher subscriptions to our VAS, optimizing our employee headcount, improved employee productivity and ongoing operational optimization due to our integrated technology stack as we benefitted from scale efficiencies. For the period of six months ended September 30, 2022, our Gross Margin and Operating EBITDA Margin is 42.33% and 36.03%, respectively. For further details in relation to risks related to our PAT margin, see “*Risk Factors – Our profit / loss for the year / revenue from operations (in %) (PAT margin) increased from Fiscal 2021 to Fiscal 2022 on account of certain non-recurring events and it is not indicative of growth of profits in the future.*” on page 52.

The following table sets forth the Gross Margin, Operating EBITDA Margin, asset turnover ratio and free cash flows/ Operating EBITDA for the periods indicated:

Parameter*	Fiscal			Six months ended September 30,	
	2020	2021	2022	2021	2022
Profit / (loss) for the year/period (in million)	45.23	(645.07)	1,485.49	678.00	853.45
Profit Margin <sup>(1)</sup>	1.01%	(13.41)%	23.23%	23.31%	24.47%
Gross Margin <sup>(2)</sup>	51.44%	59.20%	61.46%	60.28%	60.19%
Operating EBITDA Margin <sup>(3)</sup>	32.82%	41.09%	42.74%	42.33%	36.03%
Asset turnover ratio (x) <sup>(4)</sup>	3.47	3.01	3.20	4.41	2.57
Free cash flows (in ₹ million)	891.67	1,653.44	1,758.73	951.89	335.79
Free cash flow conversion from Operating EBITDA (in %)	60.40%	83.64%	64.34%	77.30%	26.72%
Period-on-period revenue growth (in %)	-**	6.95%	32.91%	-**	19.89%
Capital expenditure as a % of revenue from operations	1.66%	6.17%	10.65%	7.40%	8.94%
Operating EBITDA to EBIT excluding goodwill and right of use asset amortization	88.70%	89.89%	90.64%	90.23%	87.05%

<sup>(1)</sup> Profit Margin is calculated as profit / loss for the year/period / revenue from operations (in %).

<sup>(2)</sup> Gross Margin is calculated as revenue from operations less direct operating expenses / revenue from operations (in %).

<sup>(3)</sup> Operating EBITDA margin is calculated as Operating EBITDA / revenue from operations (in %).

<sup>(4)</sup> On an annualized basis.

\* For further details in relation to reconciliation of Non-GAAP Measures, see “Other Financial Information - Reconciliation to Non-GAAP Measures” on page 383.

*\*\*The information has not been included as the corresponding comparative period is not included in this Red Herring Prospectus*

For further details in relation to risks related to the reconciliation of Non-GAAP Measures, see “*Risk Factors – We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under Ind AS.*” on page 69.

## **Significant factors Affecting our Financial Condition and Results of Operations**

### *Retaining existing customer base*

Our business model relies significantly on retaining business and growth from existing clients. We have experienced significant growth due to an increase in business with existing clients due to growth in our clients business as well as cross-selling technology products and solutions to our existing client base primarily in domestic mutual fund and issuer solutions. We measure the rate of expansion within our customer base using net revenue retention rate. In Fiscals 2021 and 2022 and six months ended September 30, 2022, our net revenue retention in domestic mutual funds and issuer solutions businesses was as follows:

<b>Business</b>	<b>Fiscal 2021</b>	<b>Fiscal 2022</b>	<b>Six months ended September 30, 2022</b>
Domestic mutual funds	113.18%	141.50%	112.62%
Issuer solutions	119.21%	115.81%	123.81%

*Note: Net revenue retention rate is the percentage of recurring revenue retained from existing customers over a given period (12 months). Net revenue retention rate for Fiscal 2020 and six months ended September 30, 2021 have not been included as the relevant comparative periods have not been included in this Red Herring Prospectus.*

Further, revenue from sale of services to entities that have been clients for more than five years constituted 81.93%, 84.66%, 83.68%, 85.55% and 79.80% of our revenue over Fiscals 2020, 2021 and 2022 and six months ended September 30, 2021 and September 30, 2022, respectively.

Our business model and underlying revenue model has a high proportion of recurring revenues from our clients. For Fiscals 2020, 2021 and 2022 and six months ended September 30, 2021 and September 30, 2022, recurring revenue from our clients accounted for 95.78%, 99.01%, 97.64%, 99.30% and 99.17% of our total revenue, respectively. As demand for our platform as a service model continues to increase globally, we see further potential for growth in our recurring revenues from clients.

### *Expansion plans through investments*

We plan to execute acquisitions to expand our platform and services and acquire new clients to drive accelerated growth by leveraging our market access. However, acquiring new businesses require significant efforts resulting in additional expenses and requiring significant management time. For instance:

- We have incurred significant costs for identifying suitable opportunities for acquisition and executing an effective due diligence process on the potential targets.
- We have also incurred significant costs for:
  - Integrating and operating acquired businesses including coordination of information technologies;
  - Protecting intellectual property;
  - Third party technology support and services; and
  - Capital infusion for growth and operational requirements.

The acquisition of the registrar and transfer agency business from Sundaram BNP Paribas Fund Services Limited in Fiscal 2020 has enabled us to acquire two AMCs and several alternative funds as clients for our existing investor solutions platform in India. Addition of clients can have an impact on our revenue and profitability.

The acquisition of Hexagram in Fiscal 2022 has enabled us to add fund accounting and reconciliation products to our platform. Expanding our product portfolio can have an impact on our revenue and profitability.

We also intend to expand internationally and we expect to incur additional costs for such expansion. For further details, see *“Our Business – Our Strategies – Pursue strategic acquisitions”* on page 236.

#### *Macroeconomic conditions in India and South East Asia*

Macroeconomic conditions in India and South East Asia are likely to affect the AAUM managed by our mutual fund clients and consequently, our results of operations. While our business tends to benefit from increased consumer confidence in the overall economy, adverse macroeconomic conditions, including those caused on account of the COVID-19 pandemic in India and South East Asia may affect investment in the mutual funds of our clients, lead to a decline in systematic investment plans, increase redemptions and otherwise adversely affect our results of operations. For further details in relation to COVID-19 pandemic related risk, see *“Risk Factors – The ongoing novel coronavirus (“COVID-19”) pandemic and measures intended to prevent its spread have had, and may continue to have, a material adverse effect on our business and results of operations.”* on page 46. The mutual fund industry benefits from a high rate of savings, in particular financial savings. Any change in the rate of savings may affect our growth and business. Some of the other general macro-economic factors that can affect our business include general levels of GDP growth and growth in personal income in India and South East Asia, demographic conditions and population dynamics, political measures and general political stability, fiscal and monetary dynamics such as volatility in interest rates, foreign exchange rates and inflation rates, and regulatory developments. These factors affect the quantum of household savings and their proportion invested in mutual funds relative to other competing products such as physical assets including real estate and gold and financial savings such as bank deposits, provident funds and insurance.

#### *Investment in technology*

We are a technology-driven financial services platform providing comprehensive services and solutions to the capital markets ecosystem. We have a comprehensive policy framework including risk management policy, business continuity plan, wind-down plan and a data access and data protection policy.

#### Operational efficiency

Our technology offering enables transaction lifecycle management combined with highly secure data collection, processing and storage. We build our proprietary platforms for scale, to absorb growth in the number of investors, assets and trading volumes. From handling over 185.60 million transactions in Fiscal 2020, we handled over 225.62 million transactions in Fiscal 2021 and 331.73 million transactions in Fiscal 2022. Further, from handling over 142.84 million transactions in six months ended September 30, 2021, we handled over 193.99 million transactions in six months ended September 30, 2022. The investment in our proprietary platforms helps us to increase operating leverage, grow our operations and deliver increased efficiencies.

Further, we have adopted newer technologies to drive automation and digitization across our platform. This has resulted in a reduction of operating costs by 16.16% on annual basis in the last three Fiscals. Our technology related spend, which includes capital expenditure incurred towards computers and accessories, software and license fees, software expenses and employee costs, for the Fiscals 2020, 2021 and 2022 and six months ended September 30, 2021 and September 30, 2022 was ₹ 489.48 million, ₹ 765.03 million, ₹ 1,310.80 million, ₹ 559.62million and ₹ 796.98 million, respectively, constituting 10.88%, 15.90%, 20.50%, 19.24% and 22.85% of our revenue from operations, respectively. We plan to continue to make significant investments in technology to automate processes, enhance our systems and risk management capabilities for improving contractual and regulatory compliance. For further details in relation to risks relating to disruptions in our information technology systems, see *“Risk Factors- Significant disruptions in our information technology systems or breaches of data security could adversely affect our business and reputation.”* on page 32.

#### Increase scale and operations of our businesses

Our ability to grow our customer base, improve customer and investor experience and increase our revenues will depend, in part, on our ability to continue to leverage technology to offer innovative products and services to our customers. Our alternatives and wealth management solutions, pension services, international investor solutions and global business services are relatively new offerings added to our platform. These adjacent businesses to our core offerings are high growth and young businesses in our portfolio. Revenue from these relatively new offerings constituted 15.01%, 16.72%, 14.17%, 14.16% and 15.17% of our total income in Fiscals 2020, 2021 and 2022 and six months ended September 30, 2021 and September 30, 2022, respectively. We intend to increase the scale and operations of these businesses, by increased value-added offerings and increased digitization of our offerings through investment in technology. For details in relation to our expansion plans, see *“-Significant factors Affecting our Financial Condition and Results of Operations – Expansion plans through investments”* on page 391.



Our revenues from value added products and services increased by 117.57% from ₹ 177.48 million in Fiscal 2020 to ₹ 386.15 million in Fiscal 2022. In addition, our revenue from value added products and services increased by 28.03% from ₹ 145.02 million in six months ended September 30, 2021 to ₹ 185.67 million in six months ended September 30, 2022. We view this revenue stream as beneficial to our operating margins, as our value added products and services require less manpower due to technology involved, leading to revenue generation with no significant cost. We may continue to increase the revenue contribution by value added services to our total revenue.

#### *Regulations and policies*

Our results of operations and continued growth depend on government policies and regulations since we provide technology based services to the capital markets ecosystem including asset managers that are generally subject to extensive regulation in India and other regions such as Malaysia, Philippines, Singapore and Hong Kong. We provide services in a manner designed to assist our clients in complying with the laws and regulations to which they are subject. Therefore, our services, such as transaction origination and execution, report generation, data and payment processing and customer care services, are particularly sensitive to changes in laws and regulations governing the financial services industry and the securities markets, including in South East Asia and Hong Kong.

Our services and the fees we charge our clients for certain services are subject to change if applicable SEBI rules and regulations are amended, or new laws or regulations are adopted. For example, Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended, impose certain limits on the total expenses that can be charged by an AMC to a mutual fund scheme, including for registrar services and expenses for investor communication. Historically, while we have been able to sustain the pricing for AMCs in case of change in total expenses by SEBI, any further reduction in such fee caps in future may affect the fees that we charge our clients and consequently our revenues.

#### *Foreign currency fluctuations*

We present our financial statements in Indian rupees. However, as a result of our international operations, a portion of our business transactions is denominated in foreign currencies. Revenue earned outside India constituted 12.79%, 14.22%, 11.68%, 11.89% and 11.34% of our revenue from operations for Fiscals 2020, 2021 and 2022 and six months ended September 30, 2021 and September 30, 2022, respectively. Fluctuations in the exchange rate between Indian Rupee and foreign currencies, primarily USD, CAD, AUD, GBP, MYR and BHD may impact our results of operations in the future. As on the date of this Red Herring Prospectus, we do not have a foreign exchange risk management policy and intend to adopt the policy as we expand our international operations. We do not enter into financial instrument transactions for trading or speculative purposes.

#### **Critical accounting policies and significant judgments and estimates**

The preparation of Restated Consolidated Financial Information, requires us to make judgments, estimates and assumptions that affect the application of our accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. We evaluate the estimates and underlying assumptions on an ongoing basis.

For a description of our significant accounting policies, see “*Financial Information - Restated Consolidated Financial Information – Annexure V to Restated Consolidated Financial Information*” on page 317. We believe that the following accounting estimates are critical in the preparation of Restated Consolidated Financial Information:

##### **1. Trade receivable**

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

##### **2. Depreciation**

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

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

Leasehold improvements are amortized 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.

<b>Asset category</b>	<b>Estimated useful life (years)</b>
Plant and machinery	5-15
Electrical installations	10
Furniture and fixtures	10
Computers	3
Office equipment	5-10
Vehicles	5

### **3. Intangibles**

Intangible assets acquired are stated at cost less accumulated amortization and impairment loss, if any.

Intangible assets are amortized in the restated 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 amortized on straight line basis

<b>Asset category</b>	<b>Estimated useful life (Years)</b>
Computer software	3-10
Customer relationships	5
Trademarks	5
Non-compete agreement	5

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure are recognized in the restated consolidated statement of profit and loss as incurred.

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

An intangible asset is derecognized 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 recognized in the statement of profit and loss when the asset is derecognized.

#### *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, we have 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 amortized, 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 recognized as an expense in the restated 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 restated 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

#### **4. 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 March 31, 2021. 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.

We have 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 April 1, 2021. As per the scheme filed and NCLT order received the treatment of Goodwill with effect from April 1, 2021 shall be done as per applicable accounting standards and / or other applicable accounting policy. Accordingly, as per Ind AS 36 – Impairment of Assets, we are required to periodically test the impairment on goodwill.

- ii) Goodwill generated through Business Transfer Agreement is tested for impairment annually, and is carried at cost less accumulated impairment, if any.

#### **5. Impairment of non-financial assets**

At each reporting date, we review 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 units (“CGUs”).

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, we estimate the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognized 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 amortization, if no impairment loss had been recognized in prior years. A reversal of impairment loss is recognized immediately in the Statement of Profit and Loss.

#### **6. Employee benefits**

##### *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if we have 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*

We make 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 Organization for Social Insurance in the Kingdom of Bahrain. Our contribution is recognized as an expense in the 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 recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet. Re-measurements are recognized in the other comprehensive income, net of tax in the year in which they arise.

When the calculation results in a potential asset for us, the recognized 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 recognized 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 recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. We recognize 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 Labor 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.

### *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 recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets, if any out of which the obligations are expected to be settled. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur.

## **7. Provisions, contingent liabilities and contingent assets**

Provisions are recognized 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 recognized 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 recognized 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 recognized in the Restated consolidated financial information 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 us 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, we recognize any impairment loss on the assets associated with that contract.

## **8. Income taxes**

Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination or to an item recognized 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 recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

### *Deferred tax*

Deferred tax is recognized 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 recognized for all taxable temporary differences. Deferred tax assets are generally recognized 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 utilized. Such assets and liabilities are not recognized 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.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized 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 realized, 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 we expect, 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 we intend to settle its current tax assets and liabilities on a net basis.

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

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where we are 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.

## **9. Business combination**

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 us. 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 we incur 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 recognized 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, we re-assesses whether we have correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized 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 recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes 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 our CGUs that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A CGU 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 CGU 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 recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

## **10. Employee stock options**

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 recognized, 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

## **11. Financial instruments**

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

## Financial assets

### *Initial recognition and measurement*

We initially recognize trade receivables and debt securities on the date on which they are originated. We recognize other financial assets on the trade date, which is the date on which we become a party to the contractual provision of the instrument.

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

### *Classifications and subsequent measurement*

#### *Classifications*

We classify our financial assets as subsequently measured at either amortized cost or fair value depending on our business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

We make 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, we consider 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 amortized cost*

A financial asset is measured at amortized 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 amortized cost using the effective interest rate (“**EIR**”) method. Amortized 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 amortization is included as finance income in the profit or loss. The losses arising from impairment are recognized 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 recognized in other comprehensive income (“**OCl**”). Interest income is recognized basis EIR method and the losses arising from ECL impairment are recognized in the profit or loss.

### *Debt instrument at fair value through profit and loss (“FVTPL”)*

Any debt instrument, which does not meet the criteria for categorization as at amortized 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 profit or loss

### *Reclassification of financial assets*

Financial assets are not reclassified subsequent to their initial recognition, except in the period after we change our 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 our similar financial assets) is primarily derecognized (i.e. removed from our balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- We have transferred our 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) we have transferred substantially all the risks and rewards of the asset, or (b) we have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### *Impairment of financial assets*

We recognize loss allowances for expected credit losses on financial assets measured at amortized cost. At each reporting date, we assess whether financial assets carried at amortized 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.

We measure 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 we are 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, we consider reasonable and or effort. This includes both quantitative and qualitative information and analysis, based on our 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 our 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 us in accordance with the contract and the cash flows that we expect to receive).

### *Presentation of allowance for expected credit losses in the Restated consolidated balance sheet*

Loss allowances for financial assets measured at amortized 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 we determine 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 our 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, amortized cost, as appropriate.

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

### *Classification and subsequent measurement*

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

#### *Financial Liabilities measured at amortized cost*

After initial recognition, financial liabilities are measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the statement of profit and loss.

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

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

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

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 recognized in OCI. These gains and losses are not subsequently transferred to profit and loss. However, we may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss.

### *Derecognition of financial liabilities*

We derecognize a financial liability when its contractual obligations are discharged or cancelled, or expire. We also derecognize 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 statement of profit and 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 recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously ('the offset criteria').

## **12. Leases**

A new lease standard i.e., Ind AS 116 has been notified to be effective with effect from April 1, 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 Restated Consolidated Financial Information, 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 Restated Consolidated Financial Information, Ind AS 116 has been adopted with effect from 1 April 2018 following modified retrospective method (i.e. on 1 April 2018 we have measured the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at lease commencement 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).

We assess 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.

We determine the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if we are reasonably certain to exercise that option; and periods covered by an option to terminate the lease if we are reasonably certain not to exercise that option. In assessing whether we are 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 us to exercise the option to extend the lease, or not to exercise the option to terminate the lease. We revise the lease term if there is a change in the non-cancellable period of a lease.

We 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, we recognize right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet. We decided to apply recognition exemptions to short-term leases.

At inception of a contract, we assess 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, we use the definition of a lease in Ind AS 116. At inception or on reassessment of a contract that contains a lease component, we allocate 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, we have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

We recognize 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, our incremental borrowing rate. Generally, we use our incremental borrowing rate as the discount rate. The lease liability is measured at amortized 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 our estimate of the amount expected to be payable under a residual value guarantee, or if we change our assessment of whether we 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*

We have elected not to recognize 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.

We present 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 we act as a lessor, we determine at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, we make 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, we consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

When we are an intermediate lessor, we account for our interests in the head lease and the sub-lease separately. We assess 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 we apply the exemption described above, then we classify the sub-lease as an operating lease.

We recognize lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

### **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Our Board has been identified as being the chief operating decision maker by our management. We are engaged in three business segments, namely registry services, data processing services and pension services. Based on the "management approach" as defined in Ind AS – 'Operating Segments', the chief operating decision maker evaluates our performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments. Segment revenue includes sale of services and other operating revenue.

(in ₹ million)

Segment revenue	Six months ended September 30		For Fiscal		
	2022	2021	2022	2021	2020
Registry services	3,228.07	2,687.84	5,936.18	4,364.50	4,123.44
Data processing services	227.27	205.49	422.44	420.18	361.77
Pension services	32.34	15.68	36.45	26.76	13.50
<b>Total revenue</b>	<b>3,487.68</b>	<b>2,909.01</b>	<b>6,395.07</b>	<b>4,811.44</b>	<b>4,498.71</b>

#### Information about revenue split by geographical area:

(in ₹ million)

Revenue from operations by geography	Six months ended September 30		For Fiscal		
	2022	2021	2022	2021	2020
Within India	3,092.34	2,563.04	5,647.98	4,127.18	3,923.20
Outside India					
USA	178.39	155.15	326.75	403.45	299.40
Canada	3.14	4.24	7.27	18.98	21.79
Rest of the world	213.81	186.58	413.07	261.83	254.32
<b>Total</b>	<b>3,487.68</b>	<b>2,909.01</b>	<b>6,395.07</b>	<b>4,811.44</b>	<b>4,498.71</b>

#### Key components of Income and Expenses

We report our income and expenditure in the following manner:

##### *Income*

Our total income comprises our revenue from operations and other income.

*Revenue from operations.* Our revenue from operations primarily comprises sale of services and other operating revenues. Sale of services includes value-added products and services Other operating revenues comprise our recoverable expenses, which is out of pocket expenses incurred on behalf of clients and these expenses are recoverable from our clients cost plus markup.

*Other income.* Other income primarily comprises dividend income from investment in mutual funds, interest income from bank deposits (carried at amortized cost), and rent concession received from landlords during the COVID-19 pandemic, interest income from unwinding of discounts of deposits, interest income from income tax refund, profit on sale of property, plant and equipment (net), liabilities no longer required written back, foreign exchange gain (net), income from derecognition of right of use assets and lease liabilities, miscellaneous income such as sale of scrap and government grant in the relevant period towards purchase of office equipment in Bahrain.

##### *Expenses*

*Employee benefits expense.* Our employee benefits expense primarily comprises salaries and wages, contribution to provident and other funds, share based payment expenses and staff welfare expenses.

*Finance costs.* Our finance costs primarily comprise interest on non-convertible debentures (at amortized cost), unwinding of interest on lease liabilities, unwinding of interest on liability component of financial instruments and other interest costs. Other interest costs is the prepayment cost of early redemption of non-convertible debentures.

*Depreciation and amortization expense.* Depreciation and amortization expense include depreciation on property, plant and equipment, amortization of goodwill, amortization of intangible assets and amortization of right of use assets.

*Other expenses.* Our other expenses primarily comprise legal and professional fee, postage, courier and communication and consultancy charges paid towards hiring of consultants.

##### *Tax expense*

Our tax expense primarily comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and provisions of the applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences. We measure our deferred tax based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

### *Other comprehensive income*

Other comprehensive income / (loss) comprises (i) re-measurement gain / (losses) on defined benefit plans; and (ii) income tax effect on (i) above.

### **Our results of operations**

The following table sets forth select financial data from our restated consolidated statement of profit and loss for six months ended September 30, 2022 and September 30, 2021 and Fiscals 2022, 2021 and 2020 and we have expressed the components of select financial data as a percentage of total income for such periods / years:

	Six months ended September 30				Fiscals					
	2022		2021		2022		2021		2020	
	(₹ in million)	(% of total income)	(₹ in million)	(% of total income)	(₹ in million)	(% of total income)	(₹ in million)	(% of total income)	(₹ in million)	(% of total income)
<b>Income</b>										
Revenue from operations	3,487.68	98.59%	2,909.01	99.14%	6,395.07	99.06%	4,811.44	98.96%	4,498.71	98.82%
Other income	49.95	1.41%	25.32	0.86%	60.57	0.94%	50.54	1.04%	53.94	1.18%
<b>Total Income</b>	<b>3,537.63</b>	<b>100.00%</b>	<b>2,934.33</b>	<b>100.00%</b>	<b>6,455.64</b>	<b>100.00%</b>	<b>4,861.98</b>	<b>100.00%</b>	<b>4,552.65</b>	<b>100.00%</b>
<b>Expenses</b>										
Employee benefits expense	1,492.28	42.18%	1,095.16	37.32%	2,324.86	36.01%	1,886.06	38.79%	1,939.83	42.61%
Finance costs	52.37	1.48%	242.94	8.28%	528.83	8.19%	519.54	10.69%	533.02	11.71%
Depreciation and amortization expense	225.99	6.39%	175.17	5.97%	370.25	5.74%	979.89	20.15%	922.12	20.25%
Other expenses	660.40	18.67%	512.31	17.46%	1,191.70	18.46%	801.41	16.48%	972.61	21.36%
<b>Total expenses</b>	<b>2,431.04</b>	<b>68.72%</b>	<b>2,025.58</b>	<b>69.03%</b>	<b>4,415.64</b>	<b>68.40%</b>	<b>4,186.90</b>	<b>86.12%</b>	<b>4,367.58</b>	<b>95.93%</b>
<b>Profit before tax</b>	<b>1,106.59</b>	<b>31.28%</b>	<b>908.75</b>	<b>30.97%</b>	<b>2,040.00</b>	<b>31.60%</b>	<b>675.08</b>	<b>13.88%</b>	<b>185.07</b>	<b>4.07%</b>
<b>Tax expense</b>										
Current tax	289.19	8.17%	262.14	8.93%	583.34	9.04%	23.71	0.49%	2.75	0.06%

	Six months ended September 30				Fiscals					
	2022		2021		2022		2021		2020	
	(₹ in million)	(% of total income)	(₹ in million)	(% of total income)	(₹ in million)	(% of total income)	(₹ in million)	(% of total income)	(₹ in million)	(% of total income)
Deferred tax expenses	(36.05)	(1.02)%	(31.39)	(1.07)%	(28.83)	(0.45)%	1,296.44	26.66%	137.09	3.01%
<b>Profit / (loss) for the period / year</b>	<b>853.45</b>	<b>24.12%</b>	<b>678.00</b>	<b>23.11%</b>	<b>1,485.49</b>	<b>23.01%</b>	<b>(645.07)</b>	<b>(13.27)%</b>	<b>45.23</b>	<b>0.99%</b>
Total other comprehensive income for the period / year, net of tax	9.02	0.25%	11.93	0.41%	(5.47)	(0.08)%	1.19	0.02%	(6.89)	(0.15)%
<b>Total comprehensive income for the period / year</b>	<b>862.47</b>	<b>24.38%</b>	<b>689.93</b>	<b>23.51%</b>	<b>1,480.02</b>	<b>22.93%</b>	<b>(643.88)</b>	<b>(13.24)%</b>	<b>38.34</b>	<b>0.84%</b>

## Six months ended September 30, 2022 compared to six months ended September 30, 2021

### Total income

Our total income increased by 20.56% to ₹ 3,537.63 million for six months ended September 30, 2022 from ₹ 2,934.33 million for six months ended September 30, 2021. This increase was primarily due to the increase in revenue from operations.

*Revenue from operations.* Our revenue from operations increased by 19.89% to ₹ 3,487.68 million for six months ended September 30, 2022 from ₹ 2,909.01 million for six months ended September 30, 2021, primarily due to an increase in our sale of services to ₹ 3,359.44 million for six months ended September 30, 2022 from ₹ 2,811.83 million for six months ended September 30, 2021. This was primarily attributable to (i) an increase in AUM based fees and an increase in revenue from sales of value added services for our domestic mutual funds solutions; (ii) an increase in overall folio count, addition of new clients and an increase in revenue from sales of value added products and services for our issuer solutions business; (iii) an increase in AAUM based fees and addition of new clients for global fund solutions business; (iv) an addition of 75 new funds in our alternatives and wealth management solutions; and (v) an addition of 418,652 new subscribers in our pension services business. The increase in revenue from operations is also attributable to our acquisition of Hexagram with effect from February 7, 2022 aggregating to ₹ 52.18 million as additional revenue.

*Other income.* Our other income increased by 97.27% to ₹ 49.95 million for six months ended September 30, 2022 from ₹ 25.32 million for six months ended September 30, 2021, primarily due to

- income on derecognition of right of use assets and lease liabilities aggregating to ₹ 12.88 million for six months ended September 30, 2022 from ₹ 0.71 million for six months ended September 30, 2021, due to termination of certain lease contracts in the ordinary course of business
- an increase in dividend income from investments in mutual funds income to ₹ 30.26 million for six months ended September 30, 2022 from ₹ 16.37 million for six months ended September 30, 2021.

### Expenses

*Employee benefits expense.* Employee benefits expense increased by 36.26% to ₹ 1,492.28 million for six months ended September 30, 2022 from ₹ 1,095.16 million for six months ended September 30, 2021, primarily due to an increase in salaries and wages to ₹ 1,286.11 million from ₹ 942.69 million. This is primarily attributable to an increase in the average number of permanent employees to 5,310 for six months ended September 30, 2022 from 5,018 for six months ended September 30, 2021 and an annual increment to our employees. Further, the increase in employee benefits expenses is also attributable to an increase in share based payment expenses to ₹ 61.26 million for six months ended September 30, 2022 from ₹ 28.49 million for six months ended September 30, 2021.

*Finance costs.* Finance costs decreased by 78.44% to ₹ 52.37 million for six months ended September 30, 2022 from ₹ 242.94 million for six months ended September 30, 2021, primarily due to a decrease in interest cost on financial liabilities measured at amortized cost on debentures from ₹ 227.71 million for six months ended September 30, 2021. There was no interest cost on debentures for the six months ended September 30, 2022 as the debentures were prepaid in December 2021. This was partially offset by an increase in interest cost on financial liabilities measured at amortized cost on premium payable on redeemable preference shares of ₹ 37.21 million for six months ended September 30, 2022. We did not have any interest cost on financial liabilities measured at amortized cost on redeemable preference shares for six months ended September 30, 2021.

*Depreciation and amortization expense.* Depreciation and amortization expense increased by 29.01% to ₹ 225.99 million for six months ended September 30, 2022 from ₹ 175.17 million for six months ended September 30, 2021, primarily due to an increase in the depreciation and amortization on tangible and intangible assets to ₹ 162.73 million for six months ended September 30, 2022 from ₹ 120.29 million for six months ended September 30, 2021 due to additions of intangible and tangible assets made during the period.

*Other expenses.* Our other expenses increased by 28.91% to ₹ 660.40 million for six months ended September 30, 2022 from ₹ 512.31 million for six months ended September 30, 2021, primarily due to an increase in:

- Legal and professional fees to ₹ 223.95 million for six months ended September 30, 2022 from ₹ 181.97 million for six months ended September 30, 2021;

- Consultancy charges to ₹ 142.94 million for six months ended September 30, 2022 from ₹ 55.25 million for six months ended September 30, 2021. This was primarily attributable to an increase in our operational activities; and
- Postage, courier and communication to ₹ 133.09 million for six months ended September 30, 2022 from ₹ 101.78 million for six months ended September 30, 2021. This was primarily attributable to an increase in the operational activities in our issuer solution business and other business segments. These expenses are primarily recoverable in nature.

#### ***Tax expense***

Our tax expense increased by 9.70% to ₹ 253.14 million for six months ended September 30, 2022 from ₹ 230.75 million for six months ended September 30, 2021. This was primarily attributable to an increase in our income, thereby resulting in a higher tax liability.

#### ***Profit for the period***

For the reasons discussed above, our profit for the period increased by 25.88% to ₹ 853.45 million for six months ended September 30, 2022 from ₹ 678.00 million for six months ended September 30, 2021.

#### ***Total other comprehensive income for the period, net of taxes***

Our total other comprehensive income for the period, net of taxes, decreased by 24.39% to ₹ 9.02 million for six months ended September 30, 2022 from ₹ 11.93 million for six months ended September 30, 2021. This was on account of decrease in gain due to remeasurement of the defined employee benefit obligations based on an independent actuary valuation report.

#### ***Total comprehensive income for the period***

Our total comprehensive income for the period increased by 25.01% to ₹ 862.47 million for six months ended September 30, 2022 from ₹ 689.93 million for six months ended September 30, 2021.

### **Fiscal 2022 compared to Fiscal 2021**

#### ***Total income***

Our total income increased by 32.78% to ₹ 6,455.64 million for Fiscal 2022 from ₹ 4,861.98 million for Fiscal 2021. This increase was primarily due to the increase in revenue from operations.

***Revenue from operations.*** Our revenue from operations increased by 32.91% to ₹ 6,395.07 million for Fiscal 2022 from ₹ 4,811.44 million for Fiscal 2021, primarily due to an increase in our sale of services to ₹ 6,165.23 million for Fiscal 2022 from ₹ 4,612.36 million for Fiscal 2021. This was primarily attributable to (i) an increase in AUM based fees and an increase in revenue from sales of value added services for our domestic mutual funds solutions; (ii) an increase in overall folio count as we get paid per folio, addition of new clients and an increase in revenue from sales of value added products and services for our issuer solutions business; (iii) an increase in AAUM based fees and addition of new clients for global fund solutions business; (iv) an addition of 28 new funds in our alternatives and wealth management solutions; and (v) an addition of 386,424 new subscribers in our pension services business. The increase in revenue from operations is also attributable to our acquisition of Hexagram with effect from February 7, 2022 aggregating to ₹ 20.48 million as additional revenue.

***Other income.*** Our other income increased by 19.85% to ₹ 60.57 million for Fiscal 2022 from ₹ 50.54 million for Fiscal 2021, primarily due to an increase in dividend income from investment in mutual funds to ₹ 45.07 million for Fiscal 2022 from ₹ 19.90 million for Fiscal 2021. This was partially offset by a decrease in the interest income from income tax refund from ₹ 8.20 million for Fiscal 2021. We did not have any interest income from income tax refund in Fiscal 2022.

#### ***Expenses***

***Employee benefits expense.*** Employee benefits expense increased by 23.27% to ₹ 2,324.86 million for Fiscal 2022 from ₹ 1,886.06 million for Fiscal 2021, primarily due to an increase in salaries and wages to ₹ 2,010.80 million from ₹ 1,701.13 million. This is primarily attributable to an increase in the average number of permanent employees to 5,174 for Fiscal 2022 from 4,625 for Fiscal 2021 and an annual increment to our employees. In addition, the increase in employee benefits expense is also attributable to an increase in share based payment expenses to ₹ 91.55 million for Fiscal 2022 from ₹ 12.16 million for Fiscal 2021.



*Finance costs.* Finance costs increased by 1.79% to ₹ 528.83 million for Fiscal 2022 from ₹ 519.54 million for Fiscal 2021, primarily due to an increase in:

- other interest costs to ₹ 84.85 million for Fiscal 2022. We did not have any other interest costs in Fiscal 2021. This is primarily attributable to foreclosure charges paid by us towards early repayment of our non-convertible debentures; and
- interest cost on financial liabilities measured at amortized cost on redeemable preference shares to ₹ 42.03 million for Fiscal 2022. We did not have any interest cost on financial liabilities measured at amortized cost on redeemable preference shares for Fiscal 2021.

This was partially offset by a decrease in interest on non-convertible debentures aggregating to ₹ 371.06 million for Fiscal 2022 from ₹ 438.18 million for Fiscal 2021. This was primarily due to repayment of all non-convertible debentures in December 2021.

*Depreciation and amortization expense.* Depreciation and amortization expense decreased by 62.22% to ₹ 370.25 million for Fiscal 2022 from ₹ 979.89 million for Fiscal 2021, primarily due to a decrease in the amortization of goodwill from ₹ 669.22 million for Fiscal 2021. We did not have any amortization of goodwill in Fiscal 2022. Pursuant to the modification in the Scheme of Amalgamation, with effect from April 1, 2021, the accounting treatment for amortization of goodwill is done as per applicable accounting standards under Ind AS, i.e. we are required to periodically test goodwill for impairment instead of amortizing goodwill.

*Other expenses.* Our other expenses increased by 48.70% to ₹ 1,191.70 million for Fiscal 2022 from ₹ 801.41 million for Fiscal 2021, primarily due to an increase in:

- Legal and professional fees to ₹ 373.72 million for Fiscal 2022 from ₹ 207.82 million for Fiscal 2021;
- Consultancy charges to ₹ 183.48 million for Fiscal 2022 from ₹ 73.31 million for Fiscal 2021. This was primarily attributable to an increase in our operational activities; and
- Claims increased to ₹ 87.75 million for Fiscal 2022 from ₹ 0.77 million for Fiscal 2021. This was primarily attributable to an amount of ₹ 70.00 million towards a potential claim from a past client, including dividends on certain shares that are subject to these claims.

#### ***Tax expense***

Our tax expense decreased by 58.00% to ₹ 554.51 million for Fiscal 2022 from ₹ 1,320.15 million for Fiscal 2021. The Finance Act 2021 introduced an amendment to Section 32 of the Income Tax Act, 1961, as amended, pursuant to which goodwill was not allowed as deductible expenditure effective April 1, 2020. As a result, in Fiscal 2021, we recognized tax expense on the difference between goodwill as per the books of account and the updated tax base of nil. We did not have such a tax expense in Fiscal 2022.

#### ***Profit / (loss) for the year***

For the reasons discussed above, our profit for the year was ₹ 1,485.49 million for Fiscal 2022 as compared to loss for the year of ₹ 645.07 million for Fiscal 2021.

#### ***Total other comprehensive income for the year, net of taxes***

Our total other comprehensive income for the year, net of taxes, decreased by 559.66% to ₹ (5.47) million for Fiscal 2022 from ₹ 1.19 million for Fiscal 2021. This was on account of the loss due to remeasurement of the defined employee benefit obligations based on an independent actuary valuation report for Fiscal 2022.

#### ***Total comprehensive income for the period***

Our total comprehensive income for the year increased by 329.86% to ₹ 1,480.02 million for Fiscal 2022 from ₹ (643.88) million for Fiscal 2021.

#### **Fiscal 2021 compared to Fiscal 2020**

##### ***Total income***

Our total income increased by 6.79% to ₹ 4,861.98 million for Fiscal 2021 from ₹ 4,552.65 million for Fiscal 2020. This increase was primarily due to an increase in revenue from operations.

*Revenue from operations.* Our revenue from operations increased by 6.95% to ₹ 4,811.44 million for Fiscal 2021 from ₹ 4,498.71 million for Fiscal 2020, primarily due to an increase in our sale of services to ₹ 4,612.36 million for Fiscal 2021 from ₹ 4,122.34 million for Fiscal 2020. This is primarily attributable to (i) an increase in AUM based fees, revenue from value added products and services, an increase in transaction count for our domestic mutual funds solutions; (ii) an increase in overall folio count for our issuer solutions business and addition of new clients; (iii) increase in volume from global business services driven by growth in mortgage sub-segment in the global market; (iv) increase in AUM based fees for our global fund solutions business and addition of new clients; (v) addition of over 150 new funds in our alternatives and wealth management solutions, including clients on boarded for stamp duty administrative services; and (vi) an increase of 151,089 new subscribers in our pension services business.

*Other income.* Our other income decreased by 6.30% to ₹ 50.54 million for Fiscal 2021 from ₹ 53.94 million for Fiscal 2020, primarily due to a decrease in the dividend income from investment in mutual funds to ₹ 19.90 million for Fiscal 2021 from ₹ 32.22 million for Fiscal 2020. This was partially offset by the rent concession received from landlords during the COVID-19 pandemic to ₹ 11.80 million in Fiscal 2021. We did not have any rent concessions from landlords in Fiscal 2020.

### **Expenses**

*Employee benefits expense.* Employee benefits expense decreased by 2.77% to ₹ 1,886.06 million for Fiscal 2021 from ₹ 1,939.83 million for Fiscal 2020, primarily due to a decrease in salaries and wages to ₹ 1,701.13 million from ₹ 1,741.79 million. This is primarily attributable to a decrease in the average number of permanent employees to 4,625 for Fiscal 2021 from 4,589 for Fiscal 2020.

*Finance costs.* Finance costs decreased by 2.53% to ₹ 519.54 million for Fiscal 2021 from ₹ 533.02 million for Fiscal 2020, primarily due to a decrease in interest on non-convertible debentures (at amortized cost) to ₹ 483.18 million for Fiscal 2021 from ₹ 506.81 million for Fiscal 2020. This is primarily attributable to repayment of non-convertible debentures as per the repayment schedule resulting in lower interest for Fiscal 2021.

*Depreciation and amortization expense.* Depreciation and amortization expense increased by 6.26% to ₹ 979.89 million for Fiscal 2021 from ₹ 922.12 million for Fiscal 2020, primarily due to an increase in the amortization of intangible assets to ₹ 77.56 million for Fiscal 2021 from ₹ 42.60 million for Fiscal 2020 and amortization of right of use asset to ₹ 110.71 million for Fiscal 2021 from ₹ 84.26 million for Fiscal 2020. This was primarily attributable to an increase in the intangible assets consisting of customer contracts acquired from Sundaram BNP Paribas Fund Services Limited and right of use assets.

*Other expenses.* Our other expenses decreased by 17.60% to ₹ 801.41 million for Fiscal 2021 from ₹ 972.61 million for Fiscal 2020, primarily due to a decrease in:

- Postage, courier and communication to ₹ 225.36 million for Fiscal 2021 from ₹ 369.99 million for Fiscal 2020 due to COVID-19 pandemic; and
- Travelling and conveyance to ₹ 12.80 million for Fiscal 2021 from ₹ 67.87 million for Fiscal 2020 due to COVID-19 pandemic; and
- Shared services to ₹ 1.88 million for Fiscal 2021 from ₹ 22.11 million for Fiscal 2020. This was primarily because we stopped relying on shared services and started to use our own infrastructure and facilities.

This was primarily offset by an increase in legal and professional fees to ₹ 207.82 million for Fiscal 2021 from ₹ 142.24 million for Fiscal 2020.

### **Tax expense**

Our tax expense increased by 844.04% to ₹ 1,320.15 million for Fiscal 2021 from ₹ 139.84 million for Fiscal 2020. The Finance Act 2021 introduced an amendment to Section 32 of the Income Tax Act, 1961, as amended, pursuant to which goodwill was not allowed as deductible expenditure effective April 1, 2020. As a result, we recognized tax expense on the difference between goodwill as per the books of account and the updated tax base of nil. Further, in Fiscal 2020, the Income Tax Act, 1961 and Finance Act, 2019 were amended to, among other things, provide an option to domestic companies to pay income tax at a reduced tax of 22% plus applicable surcharge and cess with certain conditions to be met. We have opted for this reduced rate and accordingly, unused tax credit (minimum alternative tax credit entitlement) of ₹ 27.16 million as at March 31, 2019 has been charged as tax expense for Fiscal 2020 as we are no longer entitled to it. There was no such charge in Fiscal 2021.

### ***Profit / (loss) for the year***

For the reasons discussed above, our loss for the year was ₹ 645.07 million for Fiscal 2021 as compared to profit for the year of ₹ 45.23 million for Fiscal 2020.

### ***Total other comprehensive income for the year, net of taxes***

Our total other comprehensive income for the year, net of taxes increased by 117.27% to ₹ 1.19 million for Fiscal 2021 from ₹ (6.89) million for Fiscal 2020, on account of the gain due to the remeasurement of the defined employee benefit obligations based on an independent actuary valuation report.

### ***Total comprehensive income for the year***

Our total comprehensive income for the year substantially decreased to ₹ (643.88) million for Fiscal 2021 from ₹ 38.34 million for Fiscal 2020.

### **PAT Margin**

Our PAT margin increased in Fiscal 2022 as compared to Fiscal 2021, primarily due to an increase in our profit for the year to ₹ 1,485.49 million for Fiscal 2022 as compared to a loss for the year of ₹ 645.07 million for Fiscal 2021. The increase in our profit for the year for Fiscal 2022 as compared to Fiscal 2021 was attributable to a number of reasons, including:

- decrease in our depreciation and amortization expense. This was primarily due to a decrease in the amortization of goodwill. Pursuant to the modification in the Scheme of Amalgamation, with effect from April 1, 2021, the accounting treatment for amortization of goodwill is done as per applicable accounting standards under Ind AS, i.e. we are required to periodically test goodwill for impairment instead of amortizing goodwill; and
- decrease in our tax expenses. The Finance Act 2021 introduced an amendment to Section 32 of the Income Tax Act, 1961, as amended, pursuant to which goodwill was not allowed as deductible expenditure effective April 1, 2020. As a result in Fiscal 2021, we recognized tax expense on the difference between goodwill as per the books of account and the updated tax base of nil. We did not have such a tax expense in Fiscal 2022.

For further details, see “-Fiscal 2022 compared to Fiscal 2021” on page 408.

### **Cash flows and cash and cash equivalents**

The following table sets forth our cash flows and cash and cash equivalents for the period indicated:

*(in ₹ million)*

	<b>Six months ended September 30,</b>		<b>Fiscals</b>		
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Net cash (used in)/generated from Operating Activities	688.46	1,215.11	2,526.37	2,046.34	1,014.36
Net cash (used in)/generated from Investing Activities	(644.74)	(621.12)	(1,153.81)	(1,037.33)	930.15
Net cash (used in)/generated from Financing Activities	(72.20)	(539.48)	(1,154.07)	(894.00)	(2,060.42)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(28.48)</b>	<b>54.51</b>	<b>218.49</b>	<b>115.01</b>	<b>(115.91)</b>
Cash and cash equivalents at the beginning of the period / year	450.33	229.26	229.26	116.62	226.77
<b>Cash and cash equivalents at the end of the period / year</b>	<b>422.74</b>	<b>284.58</b>	<b>450.33</b>	<b>229.26</b>	<b>116.62</b>

### ***Operating activities***

Net cash flows from operating activities aggregated to ₹ 688.46 million for six months ended September 30, 2022. Our profit before tax of ₹ 1,106.59 million, was adjusted primarily for depreciation and amortization expense of ₹ 162.73 million, depreciation expense on right of use asset of ₹ 63.26 million and share based payment of ₹ 61.26 million. Our changes in working capital for six months ended September 30, 2022 primarily consisted of a decrease in other assets of ₹ 40.90 million and a decrease in trade payables of ₹ 16.64 million, an increase in other current financial assets of ₹ 115.73 million and an increase in trade receivables of ₹ 286.39 million.

Net cash flows from operating activities aggregated to ₹ 1,215.11 million for six months ended September 30, 2021. Our profit before tax of ₹ 908.75 million, was adjusted primarily for interest expense of ₹ 242.94 million, depreciation and amortization expense of ₹ 120.29 million and depreciation expense on right of use asset of ₹ 54.88 million. Our changes in working capital for six months ended September 30, 2021 primarily consisted of a decrease in other current financial assets of ₹ 50.08 million, decrease in other trade payables of ₹ 79.62 million and an increase in other current liabilities of ₹ 37.16 million.

Net cash flows from operating activities aggregated to ₹ 2,526.37 million for Fiscal 2022. Our profit before tax of ₹ 2,040.00 million, was adjusted primarily for interest expense of ₹ 528.83 million, depreciation and amortization expense of ₹ 255.97 million and amortization expense on right of use asset of ₹ 114.28 million. Our changes in working capital for Fiscal 2022 primarily consisted of a decrease in trade payables of ₹ 43.82 million, an increase in other current financial liabilities of ₹ 103.82 million, an increase in other current financial assets of ₹ 71.98 million and an increase in trade receivables of ₹ 79.01 million.

Net cash flows from operating activities aggregated to ₹ 2,046.34 million for Fiscal 2021. Our profit before tax of ₹ 675.08 million, was adjusted primarily for depreciation and amortization expense of ₹ 869.18 million, interest expense of ₹ 519.54 million and amortization expense on right of use asset of ₹ 110.71 million. Our changes in working capital for Fiscal 2021 primarily consisted of an increase in trade receivables of ₹ 261.38 million and an increase in other current financial liabilities of ₹ 133.24 million.

Net cash flows from operating activities aggregated to ₹ 1,014.36 million for Fiscal 2020. Our profit before tax of ₹ 185.07 million, was adjusted primarily for depreciation and amortization expense of ₹ 837.86 million, interest expense of ₹ 533.02 million and amortization expense on right of use asset of ₹ 84.26 million. Our changes in working capital for Fiscal 2020 primarily consisted of a decrease in other current financial liabilities of ₹ 217.88 million.

### ***Investing activities***

Net cash flows used in investing activities aggregated to ₹ 644.74 million for six months ended September 30, 2022, primarily due to ₹ 366.57 million used for investments in mutual funds, ₹ 184.78 million used for purchase of intangible assets like computer software including intangible assets under development, and ₹ 126.90 million used for 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).

Net cash flows used in investing activities aggregated to ₹ 621.12 million for six months ended September 30, 2021, primarily due to ₹ 376.35 million used for investments in mutual funds, ₹ 132.16 million used for purchase of intangible assets like computer software including intangible assets under development, and ₹ 82.99 million used for 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).

Net cash flows used in investing activities aggregated to ₹ 1,153.81 million for Fiscal 2022, primarily due to ₹ 476.20 million used for purchase of intangible assets like computer software including intangible assets under development, ₹ 204.62 million used for 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), ₹ 272.55 million investments in mutual funds and ₹ 240.93 million towards acquisition of Hexagram.

Net cash flows used in investing activities aggregated to ₹ 1,037.33 million for Fiscal 2021, primarily due to investments in mutual funds of ₹ 522.85 million, investments in purchase of shares of ₹ 298.02 million and ₹ 297.02 million used for purchase of tangible assets such as computer and other related assets, furniture and other office equipment and intangible assets like computer software including internally generated intangible assets (including capital and intangible work-in-progress, capital advances and creditors). These cash outflows were partially offset by redemption of fixed deposits with banks of ₹ 58.66 million.

Net cash flows generated from investing activities aggregated to ₹ 930.15 million for Fiscal 2020, primarily due to proceeds from redemption of mutual funds of ₹ 979.98 million and redemption of fixed deposits with banks of ₹ 247.10 million. The amount was primarily utilized for working capital, repayment of non-convertible debentures and for acquisition of registrar and transfer agency business from Sundaram BNP Paribas Fund Services Limited for ₹ 265.34 million.

### **Financing activities**

Net cash flows used in financing activities aggregated to ₹ 72.20 million for six months ended September 30, 2022, primarily due to payment of lease liabilities of ₹ 72.20 million.

Net cash flows used in financing activities aggregated to ₹ 539.48 million for September 30, 2021, primarily due to repayment of non-convertible debentures of ₹ 260.00 million, interest paid on non-convertible debentures of ₹ 214.68 million and payment of lease liabilities of ₹ 64.80 million .

Net cash flows used in financing activities aggregated to ₹ 1,154.07 million for Fiscal 2022, primarily due to repayment of non-convertible debentures of ₹ 3,520 million, interest paid on non-convertible debentures of ₹ 392.24 million, expenses towards issue of shares of ₹ 209.28 million and lease liabilities of ₹ 132.79 million. This was partially offset by proceeds from issue of equity shares and securities premium on issue of equity shares of ₹ 167.26 million and ₹ 2,932.78 million, respectively.

Net cash flows used in financing activities aggregated to ₹ 894.00 million for Fiscal 2021, primarily due to interest paid on non-convertible debentures of ₹ 456.22 million, repayment of non-convertible debentures of ₹ 320.00 million and lease liabilities of ₹ 117.78 million.

Net cash flows used in financing activities aggregated to ₹ 2,060.42 million for Fiscal 2020, primarily due to cancellation of equity shares of equity shares pursuant to a buy-back, includes taxes paid of ₹ 1,156.82 million and interest paid on non-convertible debentures of ₹ 652.50 million and repayment of non-convertible debentures of ₹ 160.00 million.

### **Indebtedness**

While we do not have any financial indebtedness as of September 30, 2022, we have a sanction letter issued by HSBC Bank for an amount of ₹ 300 million. However, we have not utilized the working capital facility as on the date of filing of this Red Herring Prospectus. For further details, see “*Financial Indebtedness*” on page 421.

For further details in relation to the financial instrument, namely, the redeemable preference shares, see “*Capital Structure*” on page 95.

### **Liquidity and capital resources**

We believe we have sufficient sources of funding to meet our business requirements for the next 12 months and in the longer term. Cash generated by operations, supplemented by external financing, is our primary source of liquidity for funding our business requirements. Our future capital requirements and the adequacy of available funds will depend on many factors, including those set forth under “*Risk Factors*” on page 30. For six months ended September 30, 2022, our cash and cash equivalents at the end of the period was ₹ 422.74 million. We have a sanction letter issued by HSBC Bank for an amount of ₹ 300 million. This working capital facility has not been drawn down as on the date of this Red Herring Prospectus.

Our short-term as well as long-term capital expenditure requirements include expenditure for organic and inorganic growth opportunities, redemption of redeemable preference shares, working capital requirements, purchase of computers and related assets, purchase of software and intangible assets and for corporate actions.

As of September 30, 2022, our estimated amount of contracts remaining to be executed on capital account and not provided for was ₹ 64.36 million.

The following table sets forth a summary of the maturity profile of our contractual obligations as of September 30, 2022:

	Payments due by period				
	Total	Less than 1 year	1-2 years	2 – 5 years	Above 5 years
Trade payables	237.75	237.75	-	-	-

	Payments due by period				
	Total	Less than 1 year	1-2 years	2 – 5 years	Above 5 years
Borrowings*	1,340.00	-	1,340.00	-	-
Lease liabilities	441.61	111.18	72.29	183.57	74.57
Other financial liabilities	310.82	310.82	-	-	-
<b>Total</b>	<b>2,330.18</b>	<b>659.75</b>	<b>1,412.29</b>	<b>183.57</b>	<b>74.57</b>

\*This includes interest obligations on borrowings.

We monitor rolling forecasts of our liquidity position comprising cash and cash equivalents on the basis of expected cash flows. Our 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. We have net current assets of ₹ 510.63 million, ₹ 1,255.79 million, ₹ 1,773.81 million, ₹ 1,051.08 million and ₹ 2,579.70 million as at March 31, 2020, March 31, 2021, March 31, 2022, September 30, 2021 and September 30, 2022.

### Capital expenditure

Capital expenditure primarily relates to purchase of computers and related assets, vehicles, furniture, office equipment, leasehold improvement, plant and machinery and purchase and development of software and other assets. The capital expenditure is funded through cash from operations.

In six months ended September 30, 2022, we incurred capital expenditure of ₹ 311.68 million, primarily for purchase of computers and related assets, vehicles, furniture, office equipment, leasehold improvement, plant and machinery, purchase and development of software and other assets and other intangibles.

In six months ended September 30, 2021, we incurred capital expenditure of ₹ 215.15 million, primarily for purchase of computers and related assets, vehicles, furniture, office equipment, leasehold improvement, plant and machinery, purchase and development of software and other assets and other intangibles.

In Fiscal 2022, we incurred capital expenditure of ₹ 680.82 million, primarily for purchase of computers and related assets, vehicles, furniture, office equipment, leasehold improvement, plant and machinery, purchase and development of software and other assets and other intangibles pursuant to acquisition of Hexagram.

In Fiscal 2021, we incurred capital expenditure of ₹ 283.76 million, primarily for purchase of computers and related assets, vehicles, furniture, office equipment, leasehold improvement, plant and machinery, and purchase and development of software and other assets.

In Fiscal 2020, we incurred capital expenditure of ₹ 80.34 million, primarily for purchase of computers and related assets, vehicles, furniture, office equipment, leasehold improvement, plant and machinery, and purchase and development of software. This is primarily attributable to customer contracts transferred to our Company pursuant to the business transfer agreement entered into with Sundaram BNP Paribas Fund Services Limited.

### Contingent liabilities

The table sets forth our contingent liabilities as per Ind AS 37 as at September 30, 2022:

<i>(in ₹ million)</i>	
Contingent liabilities	As at September 30, 2022
Customer claims not acknowledged as debt	58.68
Income-tax matters	17.54
Goods and service tax matters	17.31

For details in relation to our contingent liabilities as at September 30, 2022, see “Financial Information - Restated Consolidated Financial Information – Annexure VI, Notes to Restated Consolidated Financial Information - 35 - Commitments, contingent liabilities and contingent assets” and “Outstanding Litigation and Material Developments” on pages 357 and 423, respectively.

## **Off-balance sheet commitments and arrangements**

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

## **Quantitative and Qualitative Analysis of Market Risks**

We are exposed to various types of market risks during the normal course of business. For further details, see “*Risk Factors*” beginning on page 30:

We have exposure to the following risks arising from financial instruments:

- (a) Credit risk;
- (b) Liquidity risk; and
- (c) Market risk

### *Credit risk*

Credit risk is the the risk of financial loss to us if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to us. 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. For further details, see “*Financial Information - Restated Consolidated Financial Information – Annexure VI, Notes to Restated Consolidated Financial Information - 40 – Financial Instruments – fair values and risk management*” on page 366.

### *Liquidity risk*

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure, as far as possible, that we 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 our reputation. For further details, see “*Financial Information - Restated Consolidated Financial Information – Annexure VI, Notes to Restated Consolidated Financial Information - 40 – Financial Instruments – fair values and risk management*” on page 366.

Our Company will rely on cash from operations and external financing for our sources of liquidity.

### *Market risk*

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

### Interest risk

We have a sanction letter issued by HSBC Bank for an amount of ₹ 300 million, wherein the interest rates are linked to HSBC Marginal Cost of Fund based Lending Rate (MCLR). This working capital facility has not been drawn down as on the date of this Red Herring Prospectus. We have issued non-convertible redeemable preference shares at fixed interest rate.

For further details, see “*Financial Information - Restated Consolidated Financial Information – Annexure VI, Notes to Restated Consolidated Financial Information - 40 – Financial Instruments – fair values and risk management*” on page 366.

### Currency risk

We are exposed to foreign currency risk on certain transactions that are denominated in a currency other than our functional currency, hence exposure to exchange rate fluctuations arises. For further details, see “*Financial*

*Information - Restated Consolidated Financial Information – Annexure VI, Notes to Restated Consolidated Financial Information - 40 – Financial Instruments – fair values and risk management” on page 366.*

### **Auditor qualifications and emphasis of matter**

There are no auditor qualifications which have not been given effect to in the Restated Consolidated Financial Information.

The following sets forth the emphasis of matter included in the audit reports of our Statutory Auditors on the consolidated financial statements as at and for the periods indicated:

*Six months ended September 30, 2022 and September 30, 2021*

The Statutory Auditor has drawn attention to the interim consolidated financial statements regarding the amalgamation of KCPL and the ‘RTA Undertaking’ of KCL into our Company accounted for in Fiscal 2019 with effect from November 17, 2018. In accordance with the scheme approved by 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 our 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 amortized over a period of ten years as per the terms of the Scheme of Amalgamation and is also tested for impairment every year. Such accounting treatment of this transaction is different from that prescribed under Ind AS 103 – ‘Business Combinations’ which became applicable to our Company from the year ended March 31, 2019 and which requires assets, liabilities and consideration to be measured at fair value and goodwill to be tested only for impairment.

During the period, our Company has obtained approval of NCLT on March 2, 2022 for not amortizing goodwill with effect from April 1, 2021.

The Statutory Auditor has drawn attention to the interim consolidated financial statements, where the pre-amalgamated Company was the registrar and share transfer agent of a past client (the “**Client**”) until April 5, 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. We 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 authorization from the Client. The Board of Directors, 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 ₹ 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 Fiscal 2022 of ₹ 4.08 million was also transferred back to the Client.

We have recognized an amount of ₹ 70.00 million as a provision in the interim 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 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.

*Year ended March 31, 2022*

The Statutory Auditor has drawn attention to the consolidated financial statements regarding the amalgamation of KCPL and the ‘RTA Undertaking’ of KCL into our Company accounted for in Fiscal 2019 with effect from November 17, 2018. In accordance with the scheme approved by 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 our 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 amortized over a period of ten years as per the terms of the Scheme of Amalgamation and is also tested for impairment every year. Such accounting treatment of this transaction is different from that prescribed under Ind AS 103 – ‘Business Combinations’ which became applicable to our Company from the year ended March 31, 2019 and which requires assets, liabilities and consideration to be measured at fair value and goodwill to be tested only for impairment.



During the period, our Company has obtained approval of NCLT on March 2, 2022 for not amortizing goodwill with effect from April 1, 2021.

The Statutory Auditor has drawn attention to the consolidated financial statements, where the pre-amalgamated Company was the registrar and share transfer agent of a past client (the “Client”) until April 5, 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. We 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 authorization from the Client. The Board of Directors, 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 ₹ 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 Fiscal 2022 of ₹ 4.08 million was also transferred back to the Client.

We have recognized an amount of ₹ 70.00 million as a provision 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 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.

*Years ended March 31, 2021 and March 31, 2020*

The Statutory Auditor has drawn attention to the consolidated financial statements regarding the amalgamation of KPCL and the ‘RTA Undertaking’ of KCL into our Company accounted for in Fiscal 2019 with effect from November 17, 2018. In accordance with the scheme approved by 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 our 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 is being amortized over a period of ten years as per the terms of the Scheme of Amalgamation and is also tested for impairment every year. Such accounting treatment of this transaction is different from that prescribed under Ind AS 103 – ‘Business Combinations’ which became applicable to our Company from the year ended March 31, 2019 and which requires assets, liabilities and consideration to be measured at fair value and goodwill to be tested only for impairment. Since no evaluation of the fair value of assets, liabilities and consideration as at the date of the aforesaid amalgamation has been made by the management in view of the NCLT order referred to above, the impact of this deviation cannot be determined. The effect of the aforesaid deviation in the accounting treatment continues in the consolidated financial statements of each of the mentioned years.

For further details, see “*Risk Factors – Our Statutory Auditors have included matters of emphasis in its audit report on financial statements as at and for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, and as at and for the six months periods ended September 30, 2021 and September 30, 2022 .*” on page 51.

#### **Unusual or infrequent events or transactions**

There have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

#### **Known trends or uncertainties**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in “ - *Significant Factors Affecting our Financial Conditions and Results of Operations*” above and the uncertainties described in “*Risk Factors*” on page 30. Except as disclosed in this Red Herring Prospectus, there are no known factors which we expect to have a material impact on our income.

#### **Future relationship between cost and revenue**

Other than as described in “*Risk Factors*” and this section, there are no known factors that might affect the future relationship between cost and revenue.

## **Related party transactions**

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see “*Related Party Transactions*” on page 388.

## **Working Capital / Net current assets**

We believe that our working capital / net current assets is sufficient for our present operational requirements.

The working capital / net current assets increased to ₹ 2,579.70 million in six months ended September 30, 2022 from ₹ 1,051.08 million in six months ended September 30, 2021 primarily on account of surplus generated out of our operations which resulted in an increase of cash and cash equivalents by ₹ 138.16 million; increase in trade receivable by ₹ 368.90 million and other financial assets by ₹ 237.85 million; decrease in current borrowings by ₹ 662.44 million and decrease other financial liabilities by ₹ 262.60 million. This was partially offset by an increase in trade payable by ₹ 69.18 million.

The working capital / net current assets increased to ₹ 1,773.81 million in Fiscal 2022 from ₹ 1,255.79 million in Fiscal 2021, primarily on account of surplus generated out of the operations of the Company which resulted in an increase of cash and cash equivalents by ₹ 221.07 million, increase in other financial assets by ₹ 72.35 million and decrease in short-term borrowing by ₹ 522.44 million. This was partially offset by an increase in the tax liabilities by ₹ 111.11 million and other financial liabilities by ₹ 113.07 million.

The working capital / net current assets increased to ₹ 1,255.79 million in Fiscal 2021 from ₹ 510.63 million in Fiscal 2020, primarily on account of surplus generated out of the operations of the Company which resulted in an increase of investment in mutual funds and investments in equity instruments of other companies by ₹ 813.65 million, increase in trade receivable by ₹ 222.74 million and increase in cash and cash equivalents by ₹ 112.64 million. This was partially offset by an increase in the current borrowings representing current maturities of long-term debt and interest accrued and not due on non-convertible debentures by ₹ 201.18 million as per the terms of repayment.

## **Competitive conditions**

We operate in a competitive environment. Please refer to “*Risk Factors*”, “*Industry Overview*” and “*Our Business*” on pages 30, 151 and 220, respectively, for further information on our industry and competition.

## **Seasonality and cyclicity of business**

We have historically experienced seasonal fluctuations in issuer solutions business as our clients generally take corporate actions in the second quarter, specifically August or September, of each Fiscal. For further details, see “*Risk Factors – Our issuer solutions business, contributing 11.60% and 13.38% of our revenue from operations for Fiscal 2022 and six months ended September 30, 2022, respectively, is affected by seasonality and may also be impacted by client demands and competition, which could result in fluctuations in our operating results.*” on page 53.

## **Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices**

Changes in revenue in the last three Fiscals and six months ended September 30, 2022 and September 30, 2021 are as described in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Six months ended September 30, 2022 compared to six months ended September 30, 2021*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2022 compared to Fiscal 2021*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2021 compared to Fiscal 2020*” above on pages 407, 408 and 409, respectively.

## **Significant dependence on single or few customers**

We derive revenues from the following customers which amount to 10% or more of our revenue in the respective year:

(in ₹ million)

Customer	Six months ended September 30, 2022	Six months ended September 30, 2021	For Fiscal 2022	For Fiscal 2021	For Fiscal 2020
Customer A	473.07	427.06	896.69	672.16	669.62
Customer B	420.12	381.93	824.44	663.57	666.08
Customer C	420.26	365.67	825.93	547.57	-
<b>Total</b>	<b>1,313.45</b>	<b>1,174.66</b>	<b>2,547.06</b>	<b>1,883.30</b>	<b>1,335.70</b>

For further details, see “Risk Factors – In Fiscals 2020, 2021 and 2022 and six months ended September 30, 2021 and September 30, 2022, we derived 53.30%, 53.69%, 53.05%, 54.99% and 50.82%, respectively, of our revenue from operations from our top five customers and the loss of one or more such clients could adversely affect our business and prospects.” on page 38.

#### **New products or business segments**

Except as disclosed in “Our Business” on page 220, and products that we announce in the ordinary course of business, we have not announced and do not expect to announce in the near future any new products or business segments.

#### **Significant developments occurring after September 30, 2022**

There are no significant developments occurring after September 30, 2022.

#### **Recent accounting pronouncements**

As on the date of this Red Herring Prospectus, there are no recent accounting pronouncements, which, we believe, would have a material effect on our financial condition or results of operations.

## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at September 30, 2022, on the basis of amounts derived from our Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "Risk Factors", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", beginning on pages 30, 302 and 389, respectively.

(₹ in million)

Particulars	Pre-Offer (as at September 30, 2022)	Post Offer
<b>Debt</b>		
Current borrowings (A)	-	[•]
Non-current borrowings (B)	1,262.35	[•]
<b>Total borrowings (C=A+B)</b>	<b>1,262.35</b>	<b>[•]</b>
<b>Equity</b>		
Equity shares capital (D)	1,675.69	[•]
Other equity (E)	5,691.47	[•]
<b>Total Equity (F= D+E)</b>	<b>7,367.16</b>	<b>[•]</b>
<b>Total (G= C+F)</b>	<b>8,629.51</b>	<b>[•]</b>
<b>Total non-current borrowings /Total equity (B/F)</b>	<b>0.17</b>	<b>[•]</b>
<b>Total borrowings/Total equity (C/F)</b>	<b>0.17</b>	<b>[•]</b>

## FINANCIAL INDEBTEDNESS

Our Company has availed credit facilities in its ordinary course of business for the purposes of meeting its working capital requirements. For details of the borrowing powers of our Board, see “*Our Management – Borrowing Powers*” on page 280.

As on September 30, 2022, our Company has no secured borrowings availed from banking and financial lenders, and a brief summary of all borrowings from such lenders is set forth below:

(₹ in million)		
Category of borrowing	Sanctioned amount	Outstanding amount as on September 30, 2022*
<b>Secured</b>		
Term loans	-	-
Working capital facilities *		
- Fund based	300	-
- Non fund Based	-	-
<b>Unsecured</b>		
<b>Total</b>	<b>300</b>	<b>-</b>

\* As certified by MHA & Associates LLP, Chartered Accountants, by way of their certificate dated December 10, 2022.

Our Subsidiaries do not have any outstanding borrowings.

In addition to the above, our Company has issued and allotted non-convertible redeemable preference shares to Adhiraj Parthasarathy. For details, see “*Capital Structure – Notes to the Capital Structure – History of Preference Share Capital of the Company*” and “*Financial Statements*” on pages 97 and 302, respectively.

### Key terms of the borrowings availed by our Company:

1. **Interest/ Commission:** The interest rate is fixed based on the prevalent MCLR for the appropriate tenor.
2. **Tenor:** The maximum tenor of the facility availed by our Company is three months.
3. **Security:** Our borrowings are secured by:
  - (a) First pari-passu charge on the current assets, present and future; and
  - (b) First pari-passu charge on movable fixed assets of the Company, present and future.
4. **Penalty:** The terms of the facility availed by us prescribe penalties, amongst others, in case of non-submission of financials, default in observance of covenants or non-execution of security documentation. For the foregoing instances, the lender has the right to charge interest at a minimum of 2% per annum higher than the contracted rate or any other amount at the discretion of the lender on the entire amount outstanding.
5. **Repayment:** Our Company shall repay the facility availed along with interest, on demand.
6. **Prepayment:** Penalties may be imposed on prepayment at the discretion of the lender.
7. **Restrictive covenants:** Our financing arrangements entail various restrictive covenants and conditions restricting certain corporate actions, and we are required to take the lender’s prior written consent and/or intimate the lender before carrying out such actions, including for:
  - (a) Make or permit any change in constitution or management;
  - (b) Create any charge, mortgage, pledge hypothecation, lien or other encumbrance over the security;
  - (c) Changes to the capital structure, undertaking schemes of amalgamation / reconstruction;
  - (d) Declare dividend, in case the operating profits fall below the audited value of previous year; and
  - (e) Incur capital expenditure resulting in an increase in the gross block / capital work-in progress by more than 15% vis-à-vis the last audited figures.

Please note that the abovementioned list is indicative and there may be additional restrictive covenants and

conditions where we may be required to take prior written consent or intimate the lender.

**8. *Events of default:*** In terms of borrowing arrangement for the facility availed by us, the occurrence of any of the following, among others, constitute an event of default:

- (a) Non-payment of any amount payable on its due-date;
- (b) Default in the performance of any covenant, condition or undertaking;
- (c) Misleading or incorrect representation or statement made by our Company in the facility documentation;
- (d) Failing to obtain and maintain adequate insurance on the security;
- (e) Voluntarily or involuntarily, becoming the subject of proceedings under insolvency or bankruptcy law;
- (f) On ceasing or threatening to cease to carry on business; and
- (g) On it becoming unlawful for us to perform any of our obligation under the loan agreement.

Please note that the abovementioned list is indicative and there may be additional terms that may amount to an event of default under the borrowing arrangements entered into by us.

**9. *Consequences of occurrence of events of default:*** In terms of borrowing arrangements for the facility availed by us, upon the occurrence of events of default, the lender may:

- (a) Cancel the credit facilities, whereupon they shall immediately be cancelled;
- (b) Declare that all or part of the credit facilities are immediately due and payable;
- (c) Enforce security;
- (d) Appoint a nominee director / observer on the Board of our Company; or
- (e) Convert the obligations into paid-up equity share capital of our Company.

For the purpose of the Offer, our Company has obtained the necessary consent, from the lender of our Company as required under the relevant loan documents for undertaking activities relating to the Offer including consequent actions, such as change in its capital structure, change in its shareholding pattern or amendment to the constitutional documents of our Company.

For further details of financial and other covenants required to be complied with in relation to our borrowings, see "*Risk Factors*" beginning on page 30.

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, as on the date of this Red Herring Prospectus, there are no (i) outstanding criminal proceedings (including matters which are at FIR stage even if no cognizance has been taken by any court);(ii) actions by statutory and / or regulatory authorities; (iii) outstanding claims related to any direct or indirect tax liabilities; and (iv) other pending litigations / arbitration proceedings, as determined to be material by our Board as per the Materiality Policy, in each case involving our Company, Subsidiaries, Promoter or Directors (collectively, the “**Relevant Parties**”). Further, except as stated in this section, there is no disciplinary action, including penalties, imposed by SEBI or the stock exchanges against our Promoter in the last five Fiscals immediately preceding the date of this Red Herring Prospectus, including any outstanding action.

For the purposes of (iv) above, in terms of the Materiality Policy, any pending litigation / arbitration proceedings (other than litigations mentioned in point (i) to (iii) above) involving the Relevant Parties shall be considered “material” for the purposes of disclosure in this Red Herring Prospectus, if:

- (a) The monetary claim made by or against the Relevant Parties (individually or in aggregate), in any such pending litigation / arbitration proceeding exceeds 1% of the consolidated profit before tax of our Company, as per the latest completed fiscal year in the Restated Consolidated Financial Information. Accordingly, any pending litigation / arbitration proceedings, involving the Relevant Parties where the aggregate monetary claim made by or against the Relevant Parties, is equal to or in excess of ₹ 20.40 million (i.e., 1% of the consolidated profit before tax for FY 22) has been considered material; or
- (b) any such pending litigation / arbitration wherein a monetary liability is not quantifiable, or where the amount involved may not exceed the materiality threshold as specified in (a) above, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of the Company or the Subsidiaries.

Further, pre-litigation notices received by the the Company, its Subsidiaries, Promoter, Directors or group companies from third parties including complaints made through/on SCORES received by our Company (excluding those notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) shall, unless otherwise decided by the Board of Directors, not be considered as material litigation until such time that the Relevant Party is impleaded as a defendant in proceedings before any judicial / arbitral forum.

Additionally, the Company is arrayed as pro-forma party to various proceedings in its ordinary course of business as an intermediary in various business segments, wherein no claim is made against the Company, nor is there any monetary, financial or other implication on the Company, and the Company is merely a party for the limited purposes of providing information / documents from its repository on account of being a service provider. Accordingly, these cases have not been considered towards any of the proceedings referred to in this RHP.

Furthermore, except as stated in this section and in terms of the Materilaity Policy, there is no pending litigation involving our Group Companies, the adverse outcome of which may have a material impact on our Company. However, based on publicly available information, published on the websites of the government and regulatory bodies / authorities and stock exchanges, only to the extent available and accessible to our Company (“**Publicly Available Information**”), Compar is involved in the following litigation, which may impact certain Equity Shares of our Company:

HDFC Bank Limited (“**HDFC Bank**”) had initiated proceedings before the Debts Recovery Tribunal II (“**Tribunal**”) at Hyderabad, for recovery of a sum of ₹3,295.75 million (along with future interest and costs) (“**Claim Amount**”) from KSBL, Compar, C Parthasarathy and Rajat Parthasarathy, (Compar, C Parthasarathy and Rajat Parthasarathy being erstwhile promoters of the Company) (collectively, “**Respondents**”). In this regard, HDFC Bank filed certain interlocutory applications wherein, it had sought (i) a conditional order of attachment before judgement by directing certain of the Respondents to furnish security to the extent of the Claim Amount, and, in default, an order for attachment of certain properties of the Respondents, (ii) an interim injunction restraining the Respondents from transferring, alienating, disposing, creating third party interests or dealing in any manner in certain properties and assets of the Respondents, and (iii) a direction to the Respondents to disclose their movable and immovable assets, bank accounts, deposit before the Tribunal. The

Tribunal has, by way of an order dated December 27, 2019, among others, (i) directed the Respondents to deposit sufficient security to the extent of the Claim Amount before the Tribunal, and (ii) restrained the Respondents from transferring, alienating, disposing, creating third party interests or dealing in any manner in certain properties and assets of the Respondents. Additionally, HDFC Bank has also initiated certain legal proceedings before the Bombay High Court against certain entities including Compar (collectively, “**Defendants**”), seeking a temporary injunction, restraining the Defendants, directly or through their employees, servants, agents, assignee's, affiliates or any other person, from selling, disposing, transferring, encumbering, creating any interest in, or otherwise dealing with, the Equity Shares held by certain of the Defendants in our Company, without the prior written consent of HDFC Bank. Subsequently, the Bombay High Court in the interim application filed by ICICI Bank Limited as intervenor, passed an order restraining the Defendants, directly or through their employees, servants, agents, assignee's, affiliates or any other person, from selling, disposing, transferring, encumbering, creating any interest in, or otherwise dealing with, the Equity Shares held by certain of the Defendants in our Company without the leave of the court. Our Company is not aware of the present status of these proceedings and is unable to verify the completeness of this disclosure. As per the aforementioned orders, the beneficiary position statement of the Company dated December 9, 2022 and Publicly Available Information, 23,654,680 Equity Shares held by certain members of the CP Group amounting to 14.12% of the total Equity Share capital of the Company are encumbered in favour of HDFC Bank Limited and ICICI Bank Limited. For further details, see “Risk Factors- The Equity Shares held by certain members of the CP Group are subject to encumbrances in favor of their lenders. Any enforcement of encumbrances by such lenders may have an adverse impact on the market price of the Equity Shares of the Company” on page 48.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. In terms of the Materiality Policy, outstanding dues to any creditor of our Company having monetary value which exceeds ₹ 11.89 million, which is 5% of the consolidated trade payables of our Company as of September 30, 2022 as per the Restated Consolidated Financial Information shall be considered as ‘material’. Further, for outstanding dues to any party which is a micro, small or a medium enterprise (“**MSME**”), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.

Unless stated to the contrary, the information provided below is as of the date of this Red Herring Prospectus. All terms defined herein in a particular litigation disclosure pertain to that litigation only.

## **A. Litigation involving our Company**

### **Litigation against our Company**

The following criminal litigations were initiated against Karvy Computershare Private Limited, and have been transferred to our Company pursuant to the Scheme of Amalgamation. For details, please see “History and Certain Corporate Matters - Scheme of Amalgamation” on page 263.

#### *Criminal litigations*

1. The Central Bureau of Investigation, Bank Securities and Fraud Cell (“**CBI**”), registered criminal case no. RC.3.(E)/2006/BS/&FC/Mumbai under relevant section of the IPC including Sections 120-B and 420, the Prevention of Corruption Act, 1988 (“**PC Act**”) and the Companies Act, 1956 against KCL, KCPL and several other entities (“**Criminal Case**”) on October 30, 2007. The Criminal Case was registered on the basis of a complaint made by R. Ravichandran, the then chief general manager of SEBI, alleging fraud committed in the initial public offer of shares of YES Bank Limited. Amongst other things, it was alleged that (i) KCL, being a depository participant, opened demat accounts in the name of fictitious persons by flouting KYC norms, (ii) KCPL, as a registrar to the above-mentioned initial public offer, failed to weed out multiple / fictitious applications, allotted equity shares to such fictitious persons and, further, issued common refund orders in respect of fictitious applications made by few of the accused, and KSBL knowingly collected applications to subscribe to the public offering in the name of fictitious persons. It was further alleged that the accused had entered into a criminal conspiracy to illegally corner shares meant for retail individual investors. Our Company has filed a discharge application dated August 10, 2021 before the court of Special Judge for CBI cases, Greater Bombay (“**Special Judge**”) to discharge proceedings against our Company. The CBI has filed an application on November 9, 2021 before the Special Judge to dismiss the discharge application filed by us. The matter is currently pending.



2. The CBI registered criminal case no. RC.4.(E)/2006/BS/&FC/Mumbai under relevant section of the IPC including Sections 120-B and 420, the PC Act and the Companies Act, 1956 against KCPL and several other entities (“**Criminal Case 2**”) on September 29, 2007. The Criminal Case 2 was registered on the basis of a compliant made by R. Ravichandran, the then chief general manager of SEBI, alleging fraud committed in the initial public offer of shares of Infrastructure Development Finance Company Limited. Amongst other things, it was alleged that (i) KCL, being a depository participant opened demat accounts in the name of fictitious persons by flouting KYC norms, and (ii) KCPL, as a registrar to the above-mentioned initial public offer, failed to weed out multiple / fictitious applications, allotted equity shares to such fictitious persons and further issued common refund orders in respect of fictitious applications made by few of the accused and (iii) KSBL knowingly collected applications to subscribe to the public offering in the name of fictitious persons. It was further alleged that the accused had entered into a criminal conspiracy to illegally corner equity shares meant for retail individual investors. Our Company has filed a discharge application dated August 10, 2021 before the court of Special Judge to discharge proceedings against our Company. The CBI has filed an application on November 9, 2021 before the Special Judge to dismiss the discharge application filed by us. The matter is currently pending.
3. The Deputy Director, Directorate of Enforcement, filed PMLA prosecution complaint no. 2 of 2012 and supplementary complaint no. 4 of 2013 against KCL, KCPL, KSBL (“**Karvy Group**”) and several other persons including employees of KCL, KCPL and KSBL, before the Court of Designated Judge under the Prevention of Money Laundering Act, 2002, Honourable Special Court under PMLA at Mumbai (“**Court of Designated Judge**”), on August 29, 2013, alleging money laundering under Section 3 of the Prevention of Money Laundering Act, 2002 (“**PMLA Act**”). Amongst other things, it was alleged that the Karvy Group opened demat accounts in the name of fictitious persons on the basis of fictitious bank accounts and by flouting KYC norms, amassed a large number of equity shares reserved for retail individual investors, failed to verify the genuineness of the identity of the persons opening the demat accounts, failed to weed out multiple / fictitious applications (on the basis of common addresses), allotted equity shares to such fictitious persons and further issued common refund orders in respect of fictitious applications made by few of the accused. It was further alleged that the Karvy Group had financed certain applications made for equity shares of the respective companies during their initial public offerings and gained a huge profit in the guise of interest and processing charges. It was alleged that the offences of money laundering by the entities in this matter under Section 3 of the PMLA Act were punishable under Section 4 of the PMLA Act. Our Company filed a discharge application dated August 6, 2021 before the court of Special Judge for PMLA at Sessions Court, Greater Bombay (“**Special Judge**”) to discharge proceedings against the Company. The Assistant Director, Enforcement Directorate, has filed an application on August 13, 2021 before the Special Judge to dismiss the discharge application filed by our Company. The matter is currently pending.

#### *Actions by statutory or regulatory authorities*

1. The Managing Director of the Company received summons dated September 22, 2021 from the Assistant Director, Enforcement Directorate, Hyderabad Zonal Office (“**ED**”), to appear before the Assistant Director on September 23, 2021 in respect of investigations carried out by the Enforcement Directorate against Karvy Stock Broking limited and others. Subsequently, on September 24, 2021, the ED issued a freezing order (File No. ECIR/HYZO/14/2021) (“**Freezing Order**”), to several noticees including our Company. The Freezing Order instructed the relevant noticees to not alienate/ sell/ transfer/ create any lien/ liability in respect of the shares specified therein including 23,654,680 Equity Shares held by Compar Estates and Agencies Private Limited, C. Parthasarathy, C. Parthasarathy HUF and Rajat Parthasarathy (collectively “**Restricted Shareholders**”).

In addition to the above, the KFin Subject Shares have been subjected to a provisional attachment for 180 days or until order by the adjudicating authority under section 8(3) of PMLA, pursuant to a provisional attachment order bearing Order no. 6, dated March 8, 2022, issued by the ED with reference to file no. ECIR/HYZO/14/2021 dated May 19, 2021, further to which, the Restricted Shareholders were ordered that the KFin Subject Shares cannot be transferred, disposed, parted with, or otherwise dealt with in any manner, whatsoever, until or unless specifically permitted to do so by the ED.

#### *Other material litigations*

Nil

#### *Litigation by our Company*

## *Criminal litigations*

1. Our Company filed a complaint on July 14, 2021 in the court of chief judicial magistrate, Patna against certain individual (“**Accused**”) under the relevant provisions of IPC for the malicious, malafide and dishonest intention to cheat, amongst others, our Company and an investor in our mutual fund client (the “**Original Investor**”) (the “**Complaint**”). The Accused by impersonating himself as the Original Investor requested the Company to update the mobile number, multiple bank registration and change of the default bank account. Thereafter, the Accused made a request to the Company to redeem the axis long term equity fund amounting ₹ 2,336,016.14 on March 23, 2021 by representing himself as the Original Investor through a forged signature. After receiving a complaint from the Original Investor, the Company promptly requested the relevant branch authorities to freeze the bank account of the Accused and reported the matter to Gandhi Maidan Police Station, Patna but did not receive a response. Therefore, the Company filed the Complaint seeking for institution of FIR and investigation under section 156(3) of IPC. The matter is currently pending.
2. Our Company received a written complaint on December 12, 2019, from a customer alleging commission of a fraudulent act and impersonation against him leading to financial losses. After receiving the written complaint, our Company undertook an internal enquiry, pursuant to which we filed a complaint against seven individuals (the “**Accused Persons**”) before the officer-in-charge, Park Street police station, Kolkata (“**Officer-in-Charge**”) on March 8, 2020 under Sections 467 and 468 of the IPC, among others (“**Complaint**”). Upon receiving no response from the Officer-in-Charge, our Company sent the complaint through courier to the deputy commissioner of police - south division, Kolkata (“**Deputy Commissioner**”) on November 24, 2021. No response was received from the Deputy Commissioner. Therefore, our Company moved an application under Section 156 (3) of the Criminal Procedure Code before the chief metropolitan magistrate at Calcutta (“**Chief Metropolitan Magistrate**”). The Chief Metropolitan Magistrate received a report in final form from the Officer-in-Charge. Hence, the Chief Metropolitan Magistrate on February 8, 2022 in its order C/138/ of 2021, found that the case had already been initiated and the FIR has been registered against the Accused Persons and dropped the application of our Company. On March 8, 2022, the Officer-in-Charge issued a summons against one of the Accused Persons for producing documents under Section 91 of the CrPC, within seven days. Further, the Company has submitted a response to the summons dated March 8, 2022 issued by the Officer-in-Charge on March 29, 2022. The matter is currently pending.
3. Our Company received a letter dated April 16, 2021 from an investor (“**Investor**”), whereby the Investor had informed us that his investments in a fund were fraudulently being redeemed by an individual (“**Accused**”). We have filed a complaint dated May 5, 2022 in the court of Chief Judicial Magistrate, Ranchi (“**CJM Ranchi**”), against the Accused alleging offences under Sections 406, 420, 467 468 and 471 of the Indian Penal Code. It is, *inter alia*, alleged that Accused had (i) submitted forged documents to the Company (in its capacity as a registrar and transfer agent), (ii) misrepresented himself as the Investor, and (iii) unlawfully and illegally gained an amount of ₹ 34,770.26. Our Company had sought before the CJM Ranchi that FIR be registered against the Accused. CJM Ranchi, vide order dated May 20, 2022 granted the prayer (“**Order**”). Pursuant to the Order, our Company is in the process of getting the FIR registered.
4. Our Company has filed a complaint dated May 19, 2022 in the court of Chief Judicial Magistrate, Patna (“**CJM Patna**”), against an individual (“**Accused**”) alleging offences under Sections 419, 420, 467, 468 and 471 of IPC. It is, *inter alia*, alleged that the Accused had (i) committed fraud and cheating by submitting forged documents, (ii) misrepresented himself as a certain investor, holder of an investment account with a mutual fund, and (iii) unlawfully and illegally gained an amount of ₹ 1,129,933.15/- which the Accused was not entitled to. Our Company has prayed before the CJM Patna that FIR be registered against the Accused. CJM Patna, vide order dated August 12, 2022 sent the complaint to Gandhi Maidan, P.S. Patna under Section 156 (3) of CrPC.
5. Our Company has filed a complaint dated May 19, 2022 in the court of Chief Judicial Magistrate, Patna (“**CJM Patna**”), against an individual (“**Accused**”) alleging offences under Sections 419, 420, 467, 468 and 471 of IPC. It is, *inter alia*, alleged that the Accused had (i) committed fraud and cheating by submitting forged documents, (ii) misrepresented himself as a certain investor, holder of an investment account with a mutual fund, and (iii) unlawfully and illegally gained an amount of INR 2,211,073.49/- which the Accused is not entitled to. Our Company had sought before the CJM Patna that an FIR be registered against the Accused. CJM Patna, vide order dated August 12, 2022 sent the complaint to Gandhi Maidan, P.S. Patna under Section 156 (3) of CrPC.

6. Our Company by way of our letter dated June 18, 2022 addressed to, inter alia, Director General of Police, Chandigarh, Punjab, made a complaint against a mutual fund distributor registered with the Association of Mutual Funds in India (“**Accused**”), alleging offences under the relevant provisions of IPC for abusing his position and it was, *inter alia*, alleged that the Accused had committed fraud by forging death certificates in multiple transactions involving death claims and unlawfully and illegally gained an amount of ₹ 4,898,422.70 and the amount hereby mentioned is merely the data which the Company found from a certain asset management company only and that there could be several such fund investment and investor accounts involved in the above mentioned fraud. An FIR has been registered against the Accused at the Police Commissionerate of Ludhiana, Punjab on June 20, 2022 and the matter is currently pending.

*Other material litigations*

Nil

**B. Litigation involving our Promoter**

***Litigation against our Promoter***

*Criminal litigations*

Nil

*Actions taken by regulatory/statutory authorities*

Nil

*Other material litigations*

Nil

***Litigations by our Promoter***

*Criminal litigations*

Nil

*Other material litigations*

Nil

*Disciplinary action taken (including outstanding action) against our Promoter in the five Financial Years preceding the date of this Red Herring Prospectus by SEBI or any stock exchange*

Nil

**C. Litigation involving our Directors**

***Litigation against our Directors***

*Criminal litigations*

Vijay Arisetty on behalf of Vivish Technologies Private Limited (“**Complainant**”) filed a first information report (“**FIR**”) dated June 19, 2020 under Section 154 of the Code of Criminal Procedure, 1973 (“**CrPC**”) at Cyber Crime Police Station (sub-division Crime Investigation Department) with the First Additional Chief Metropolitan Magistrate, Nrupatunga Road against me (as accused no. 3 of 7 accused parties) and certain other persons (“**Accused Parties**”). It has been alleged, amongst others, in the FIR that the Accused Parties have been using the Complainants proprietary confidential information for their benefit and have been approaching the Complainant’s employees with bribes and threats to procure proprietary confidential information of the Complainant. The police post investigation have filed a closure report on July 27, 2022 before the Magistrate stating lack of evidence and that the dispute appears to be civil in nature. The matter is currently pending.

*Actions taken by regulatory/statutory authorities*

Nil

*Other material litigations*

Vivish Technologies Private Limited (“**Plaintiff**”) has filed a suit against NoBroker Technologies Solutions Private Limited (“**Defendant**”) before Bangalore District Court inter alia seeking injunction, restraining them from using or distributing Plaintiff’s information, restraining Defendant from publishing any derogatory or defamatory statements against the Plaintiff and for damages in the sum of INR 3,00,00,000/- (Rupees Three Crores). The Plaintiff along with the present suit had also filed an application seeking interim injunction which was granted in favour of the Plaintiff and also in favour of the Defendant vide Order dated July 27, 2021 by this Hon’ble Court. Thereafter, the Plaintiff has filed an application under Order XXXIX Rule 2A read with Section 151 of the Code of Civil Procedure, 1908 (“**Disobedience Application**”) dated November 24, 2021 for disobedience of injunction granted vide order dated July 27, 2021 against Defendant and against me (as Contemnor No. 5 of 7 Contemnors). No specific allegations have been made against me in the Disobedience Application. The matter is currently pending.

***Litigations by our Directors***

*Criminal litigations*

Nil

*Other material litigations*

Nil

***D. Litigation involving our Subsidiaries***

***Litigation against our Subsidiaries***

*Criminal litigations*

Nil

*Actions by statutory or regulatory authorities*

Nil

*Other material litigations*

Nil

***Litigations by our Subsidiaries***

*Criminal litigations*

Nil

*Other material litigations*

Nil

**E. Tax proceedings against our Company, Subsidiaries, Promoter and Directors**

Set out herein below are details of claims relating to direct and indirect taxes involving our Company, Subsidiaries, Promoter and Directors.

Nature of case	Number of cases	Demand amount involved* (in ₹ million)
<i>Company</i>		
Direct tax	5	17.54
Indirect tax	3	17.31
<i>Subsidiaries</i>		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
<i>Promoter</i>		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
<i>Directors</i>		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil

\*To the extent quantifiable

#### F. Outstanding dues to creditors

As per the Materiality Policy, a creditor of our Company, shall be considered to be material (“**Material Creditors**”) for the purpose of disclosure in this Red Herring Prospectus, if an amount due to such creditor from our Company is exceeds 5 % of the consolidated trade payables of our Company as at and for the latest financial period for which financial information is disclosed in this Red Herring Prospectus, being September 30, 2022. Accordingly, 5% of the consolidated trade payables of our Company as at and for September 30, 2022 is ₹ 11.89 million. Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors exceeding ₹ 11.89 million as at September 30, 2022 are as follows:

S. No.	Type of creditor	No. of cases	Amount outstanding (in ₹) million
1.	Dues to micro, small and medium enterprises	7	5.12
2.	Dues to Material Creditor(s)	2	25.77
3.	Dues to other creditors	341	206.86
	<b>Total</b>	<b>350</b>	<b>237.75</b>

The details pertaining to outstanding dues to Material Creditors, along with the name and amount involved for each such Material Creditors, are available on the website of our Company at <https://www.kfintech.com/disclosures/>. It is clarified that such details available on our Company’s website do not form a part of this Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any source of information including our Company’s website, www.kfintech.com would be doing so at their own risk.

#### G. Material Developments

Except as disclosed in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 389, there have been no material developments, since the date of the last financial statements disclosed in this Red Herring Prospectus, any circumstances, which materially and adversely affect, or are likely to affect our trading or profitability of our Company or the value of our assets or our ability to pay our liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

*We have set out below an indicative list of approvals obtained by our Company which are considered material and necessary for the purpose of undertaking our business activities. In view of these material approvals, our Company can undertake this Offer, and can undertake its business activities. Other than as stated below, no further material approvals from any regulatory authority are required to undertake the Offer or continue such business activities. In addition, certain of our material approvals may have expired or may expire in the ordinary course of business, from time to time and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures. For details in connection with the applicable regulatory and legal framework, see “Key Regulations and Policies” and “Risk Factors” on page 251 and 30.*

### 1. Incorporation details of our Company

- (i) Our Company was incorporated on June 8, 2017 under the Companies Act, 2013 as ‘KCPL Advisory Services Private Limited’.
- (ii) Fresh certificate of incorporation dated August 10, 2017 issued by the RoC, consequent upon the change of the name of our Company from ‘KCPL Advisory Services Private Limited’ to ‘Karvy Fintech Private Limited’.
- (iii) Fresh certificate of incorporation dated December 5, 2019 issued by the RoC, consequent upon the change of the name of our Company from ‘Karvy Fintech Private Limited’ to ‘KFin Technologies Private Limited’.
- (iv) Fresh certificate of incorporation dated February 24, 2022 issued by the RoC, consequent upon the change of the name of our Company from ‘KFin Technologies Private Limited’ to ‘KFin Technologies Limited, pursuant to conversion of our Company from a private limited company to a public limited company.

### 2. Approvals in relation to the Offer

For details regarding the approvals and authorizations obtained by our Company in relation to the Offer, see “Other Regulatory and Statutory Disclosures – Authority for the Offer” on page 437.

### 3. Material approvals in relation to our business and operations

- (i) Our Company has been granted a permanent certificate of registration dated December 24, 2019, bearing registration number INR000000221, by SEBI to carry on the business as a registrar to an issue and share transfer agent under Category-I, pursuant to the SEBI RTA Regulations.
- (ii) Our Company has been issued a certificate of registration dated March 10, 2022, bearing registration code CRA02, by the PFRDA as a central recordkeeping agency, pursuant to the PFRDA (CRA) Regulations, 2015, and such certificate is valid upto June 13, 2026.
- (iii) Our Company has been issued a certificate of importer-exporter code (IEC) by the Ministry of Commerce and Industry dated January 11, 2019.
- (iv) Our Company has been issued a letter of authorisation dated January 31, 2022 to undertake administration services and asset management support services from International Financial Services Centres Authority (IFSCA). The authorisation number is IFSCA/2021-22/AS/00010/0026.
- (v) The Legal Entity Identifier code of our Company is 335800GNCGJJ76Z17N17 and is valid upto May 18, 2023.

#### **4. Material labour/employment related approvals**

- (i) Registration no. APHYD0044343000 issued by the Employees' Provident Fund Organisation, India under the EPF Act,
- (ii) Registrations issued by the Employees' State Insurance Corporation, India under the ESI Act, for the states where our business operations are spread.
- (iii) We are required to obtain a certificate of establishment issued by the labour departments of the respective state governments where the Registered and Corporate Office and branches of our Company are located under the provisions of the relevant state specific legislations on shops and establishments. We have obtained the relevant shops and establishment registrations under the applicable provisions of the shops and establishments legislations of the relevant state for our Registered and Corporate Office and branches in India. Certain approvals may have lapsed in their normal course and we have either made applications to the appropriate authorities for renewal of such licenses/approvals or are in the process of making such applications.

#### **5. Tax related and other material approvals**

- (i) Our PAN is AAGCK6303B.
- (ii) Our tax deduction account number is HYDK08750A.
- (iii) Registration certificates issued under the relevant goods and service tax acts, and the professional tax acts of the respective states where our branches are located.

#### **6. Material approvals applied for but not received**

- (i) Pursuant to change in the name of our Company as mentioned in "*Incorporation details of our Company (iv)*" above, we will file certain applications / intimations for issuance of fresh approvals or to take on record the change of name in various licenses obtained from regulatory or statutory authorities under the applicable laws, as applicable.
- (ii) Our Company has submitted an application dated October 17, 2022 to the NSDL for permanent registration as a participant of NSDL, pursuant to the SEBI Depositories Regulations and SEBI circular no. CIR/MIRSD/5/2014 dated December 30, 2014.

#### **7. Material approvals expired and yet to be renewed**

As on the date of this Red Herring Prospectus, there are no material approvals that have expired that have not been renewed by our Company.

#### **8. Material approvals required but not obtained or applied for**

As on the date of this Red Herring Prospectus, there are no material approvals required by our Company, which have not been obtained or applied for.

#### **9. Intellectual property rights**

Our Company has 20 registered trademarks under various classes including 9, 35, 36, 42, including our name and logo. Further, our Company has filed application for one trademark, which is pending for registration.

For details in relation to our Company's intellectual property rights, see "*Our Business – Intellectual Property*" on page 248.

## OUR GROUP COMPANIES

As per the SEBI ICDR Regulations, the term ‘group companies’, shall include (a) such companies (other than promoter(s) and subsidiaries) with which there were related party transactions (as covered under the applicable accounting standards (*i.e.*, Ind AS 24 issued by the Institute of Chartered Accountants of India), during the period for which financial information is disclosed in the relevant Offer Document, and (b) any other companies as considered “material” by the Board pursuant to the materiality policy. Accordingly, for (a), all such companies other than our Promoter and our Subsidiaries with which our Company had related party transactions during the period covered in the Restated Consolidated Financial Information shall be considered as group companies, in terms of the SEBI ICDR Regulations. For the purposes of (b) above, in accordance with the Materiality Policy, a company, shall be considered “material”, and will be disclosed as a ‘Group Company’ in the Offer Document if such company forms a part of the Promoter Group and with which there were transactions in the most recent financial year (or relevant sub period, if applicable), which, individually or in the aggregate, exceed 5% of revenue from operations of our Company, as per the Restated Consolidated Financial Information for such period, *i.e.*, ₹ 319.75 million. For the purposes of (b) above, the Board, pursuant to the Materiality Policy, has decided that apart from the group companies identified as per the SEBI ICDR Regulations, none of the other companies shall be considered material and disclosed as a Group Company.

Our Company had certain related party transactions with (i) Compar; (ii) KSBL; (iii) KDMSL, (iv) Ochre & Black Private Limited, and (v) Krishna Institute of Medical Sciences Limited, during the Financial Years ended March 31, 2022, 2021 and 2020, For details, see “*Financial Information*” on page 302. However, amongst the above-mentioned entities, (i) Compar; (ii) KSBL; and (iii) KDMSL, ceased to be related parties of our Company from the date of the resignation of C. Parthasarathy from our Board, *i.e.*, November 23, 2019 and we do not have the consent and/or the requisite information, confirmations and undertakings pertaining to these companies to include each of them as a ‘group company’ of our Company. Additionally, SEBI has pursuant to its letter dated October 14, 2022 bearing reference number SEBI/HO/CFD/RAC-DIL-1/P/OW/2022/52552/1 in response to our exemption application dated August 17, 2022 read with the addendum to the exemption application dated October 4, 2022, granted an exemption under Regulation 300(1)(c) of the SEBI ICDR Regulations in respect of the disclosure of information and confirmations required from KDMSL, KSBL and Compar, Group Companies of the Company under the SEBI ICDR Regulations, to the extent not available or accessible to the Company from publicly available information published on the websites of government and regulatory bodies / authorities and stock exchanges. Accordingly, the disclosures pertaining to (i) Compar; (ii) KSBL and (iii) KDMSL included in this Red Herring Prospectus are based solely on certain publicly available information published on the websites of the government and regulatory bodies / authorities and stock exchanges, only to the extent available and accessible to our Company (“**Publicly Available Information**”). However, our Company is not able to ascertain that these disclosures, or any other confirmations included in this Red Herring Prospectus are complete or up-to-date. Further, the disclosures, or any other confirmations made in relation to Compar, KSBL and KDMSL included in this Red Herring Prospectus are not updated as on the date of this RHP. For further details, see “*Risk Factors - Certain of our Group Companies have not consented to the inclusion of, nor have they provided, information or any confirmations or undertakings pertaining to themselves, which are required to be disclosed in relation to Group Companies under the SEBI ICDR Regulations in this Red Herring Prospectus. Consequently, we cannot assure you that the disclosures relating to such Group Companies are complete or up-to-date.*” on page 49.

Accordingly, set forth below are our Group Companies as on the date of the Red Herring Prospectus:

- (a) Krishna Institute of Medical Sciences Limited;
- (b) Ochre & Black Private Limited;
- (c) Karvy Stock Broking Limited;
- (d) Karvy Data Management Services Limited; and
- (e) Compar Estates and Agencies Private Limited.

In accordance with the SEBI ICDR Regulations, certain financial information in relation to certain of our Group Companies for the previous three financial years, extracted from their respective audited financial statements (as applicable) are available at the respective websites indicated below. Our Company is providing links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. The financial information for (i) Compar; (ii) KSBL; and (iii) KDMSL is included in this Red Herring Prospectus and the same are not uploaded on the websites of our Company.



## **A. Details of our Group Companies**

### **1. Krishna Institute of Medical Sciences Limited (“KIMSL”)**

#### *Corporate Information*

KIMSL was incorporated on July 26, 1973 as a private limited company with the Registrar of Companies, Telangana at Hyderabad under the Companies Act, 1956. The registered office of KIMSL is D. No. 1-8-31/1, Minister’s Road, Secunderabad, Telangana- 500003, India. The corporate identity number of KIMSL is L55101TG1973PLC040558. KIMSL is engaged in the business of rendering medical and healthcare services, as authorized by our memorandum of association.

#### *Financial Performance*

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and Net Asset Value (NAV) per equity share derived from the audited financial statements of KIMSL for Fiscals ended March 31, 2022, March 31, 2021 and March 31, 2020 in terms of the SEBI ICDR Regulations are available on its website at <https://www.kimshospitals.com/stakeholder-relations/>.

### **2. Ochre and Black Private Limited (“OBPL”)**

#### *Corporate Information*

OBPL was incorporated on December 10, 2018 as a private limited company with the Registrar of Companies Maharashtra at Mumbai under the Companies Act, 2013. The registered office of OBPL is Plot No. R-847/1/1, TTC Ind. Area, MIDC, Rabale, Navi Mumbai 400701, Maharashtra, India. The corporate identity number of OBPL is U18209MH2018PTC318048. OBPL is engaged in the business of retailing apparel and accessories in India, as authorized by our memorandum of association.

#### *Financial Performance*

OBPL does not have a website. Accordingly, the details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value based on audited financial statements of OBPL for Fiscals ended March 31, 2022, March 31, 2021 and March 31, 2020 in terms of the SEBI ICDR Regulations are available on the website of our Company at <https://www.kfintech.com/disclosures/>.

### **3. Compar Estates and Agencies Private Limited (“Compar”)**

#### *Corporate Information*

Compar was incorporated on March 19, 1981 under Companies Act, 1956, and is registered with the Registrar of Companies, Telangana at Hyderabad. The registered office of Compar is Plot No-648, Road No-34, Jubilee Hills Hyderabad, Telangana – 500033, India. The corporate identity number of Compar is U65993TG1981PTC002964. As per the latest annual filings for the year 2019-2020 the description of main activity group is “Construction” and description of business activity is “Buildings”.

#### *Financial Performance*

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value based on audited standalone financial statements of Compar for Fiscals ended March 31, 2020, March 31, 2019 and March 31, 2018 (being the last three Fiscals for which financial information of Compar is available on the website of MCA, as certified by Mahadev Tirunagiri, Company Secretary in the search reports dated (i) October 3, 2022, (ii) August 8, 2022, (iii) June 7, 2022, and (iv) February 10, 2022, each issued by it in this regard) in terms of the SEBI ICDR Regulations are as under:

(₹ in million)

Particulars	For the Fiscals ended		
	March 31, 2020	March 31, 2019	March 31, 2018
Reserves (excluding revaluation reserves)	772.72	643.75	122.19
Sales	-	-	-
Profit/(loss) after tax	128.98	521.55	(5.51)
Basic earnings per share	348.59	1,490.16	(22.21)
Diluted earnings per share	348.59	1,490.16	(22.21)
Net asset value per equity share	2,249.79	2,221.27	1,018.76

#### 4. Karvy Stock Broking Limited (“KSBL”)

##### Corporate Information

KSBL was incorporated on March 30, 1995 under Companies Act, 1956, and is registered with the Registrar of Companies, Telangana at Hyderabad. The registered office of KSBL is Karvy Millennium, Plot No.31/P, Nanakramguda Financial District, Gachibowli Hyderabad Rangareddi, Telangana – 500032, India. The corporate identity number of KSBL is U67120TG1995PLC019877. As per the latest annual filings for the year 2018-2019 the description of main activity group is “Financial and Insurance Service” and description of business activity is “Financial Advisory, Brokerage and Consultancy Services and Other Financial Activities”.

##### Financial Performance

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value based on audited standalone financial statements of KSBL for Fiscals ended March 31, 2019, March 31, 2018 and March 31, 2017 (being the last three Fiscals for which financial information of KSBL is available on the website of MCA, as certified by Mahadev Tirunagiri, Company Secretary in the search reports dated (i) October 3, 2022, (ii) August 8, 2022, (iii) June 8, 2022 and executed on June 9, 2022, and (iv) February 10, 2022 ) in terms of the SEBI ICDR Regulations are as under:

(₹ in million)

Particulars	For the Fiscals		
	March 31, 2019	March 31, 2018	March 31, 2017
Reserves (excluding revaluation reserves)	4,317.36	4,112.28	3,909.66
Sales	5,097.84	5,076.64	3,554.83
Profit/(loss) after tax	205.08	202.63	168.04
Basic earnings per share	90.9	89.81	74.48
Diluted earnings per share	90.9	89.81	74.48
Net asset value per equity share	1,923.66	1,832.76	1,742.94

#### 5. Karvy Data Management Services Limited (“KDMSL”)

##### Corporate Information

KDMSL was incorporated on April 21, 2008 under Companies Act, 1956, and is registered with the Registrar of Companies, Telangana at Hyderabad. The registered office of KDMSL is Karvy Gateway, Plot No. 38 & 39, Nanakramguda, Financial District, Gachibowli Hyderabad Rangareddi, Telangana – 500032, India. The corporate identity number of KDMSL is U72300TG2008PLC058738. As per the latest annual filings for the year 2019-2020 the description of main activity group is “Professional, Scientific and Technical” and description of business activity is “Other Professional, Scientific and Technical activities”.

##### Financial Performance

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value based on audited standalone financial statements of KDMSL for Fiscals ended March 31, 2020, March 31, 2019 and March 31, 2018 (being the last three Fiscals for which financial information of KDMSL is available on the website of MCA, as certified by Mahadev Tirunagiri, Company Secretary in the search reports dated (i) October 3, 2022, (ii) August 8, 2022, (iii) June 7, 2022, and (iv) February 10, 2022) in terms of the SEBI ICDR Regulations are as under:

(₹ in million)

Particulars	For the Fiscals					
	March 2020	31,	March 2019	31,	March 2018	31,
Reserves (excluding revaluation reserves)	2,389.59		2,504.60		2,091.08	
Sales	3,825.35		7,532.63		7,053.23	
Profit/(loss) after tax	163.97		325.52		303.21	
Basic earnings per share	6.83		14.15		15.15	
Diluted earnings per share	6.83		14.15		15.15	
Net asset value per equity share	109.57		114.36		100.92	

## B. Litigation

Except as disclosed in “*Outstanding Litigation and Material Developments*” on page 423, our Board, pursuant to the Materiality Policy, has determined that (i) any pending litigation involving Compar (based solely on Publicly Available Information) will not have a material impact on our Company, since (a) Compar has ceased to be a related party of our Company from the date of the resignation of C. Parthasarathy from our Board *i.e.*, November 23, 2019, (b) based on Publicly Available Information, our Company is not impleaded as a party to any pending proceedings involving Compar, despite Compar being a Shareholder, (c) our Company has not received any notice for impleading our Company as a party to any pending proceedings from any party to the proceedings, the concerned court / tribunal or any regulatory or government authority or the stock exchanges, and (c) the transactions entered into by our Company with Compar since November 23, 2019 were not based on any revenue sharing agreement, nor has our Company received any consideration from Compar pursuant to such transactions; and (ii) any pending litigation involving KSBL and/or KDMSL will not have a material impact on our Company, since (a) KSBL and KDMSL have ceased to be related parties of our Company from the date of the resignation of C. Parthasarathy *i.e.*, November 23, 2019, (b) based on Publicly Available Information, our Company is not impleaded as a party to any proceedings involving KSBL and KDMSL, (iii) our Company has not received any notice for impleading our Company as a party to any pending proceedings from any party to the proceedings, the concerned court / tribunal or any regulatory or government authority or the Stock Exchanges, and (c) the transactions entered into by our Company with KSBL and/or KDMSL since November 23, 2019 were not based on any revenue sharing agreement, nor has our Company received any consideration from KSBL and/or KDMSL pursuant to such transactions. For details of the material outstanding litigation involving our Group Companies in accordance with the Materiality Policy, see “*Outstanding Litigation and Material Developments*” on page 423.

For further details, please see “*Risk Factors - Certain of our Group Companies have not consented to the inclusion of, nor have they provided, information or any confirmations or undertakings pertaining to themselves, which are required to be disclosed in relation to Group Companies under the SEBI ICDR Regulations in this Red Herring Prospectus. Consequently, we cannot assure you that the disclosures relating to such Group Companies are complete or up-to-date*” on page 49.

## C. Common pursuits

Except for KSBL, none of our Group Companies have common pursuits similar to that of our Company.

## D. Related business transactions within our Group Companies and significance on the financial performance of the Company

Other than the transactions disclosed in “*Related Party Transactions*” on page 388, there are no other related business transactions between Group Companies and our Company.

## E. Business Interest

Except as disclosed in “*Related Party Transactions*” on page 388, and the transactions entered into with Compar, KSBL and KDMSL after they ceased to be related parties of our Company w.e.f November 23, 2019, in the ordinary course of the business and at arms’ length, as stated below, our Group Companies do not have any business interest in our Company:

(₹ in million)

Name of the Group Company	Nature of the transaction	Transaction in the capacity of	Date of last transaction	Amount of Transaction
KDMSL	Desktops Rental Charges	Vendor	April 15, 2021	0.32
	Front Office Facilities processing fees*	Customer	March 31, 2022	0.01
KSBL	Debit note for Sale of UPS	Vendor	April 9, 2021	0.01
	Fee for communication services	Customer	December 31, 2019	0.38

\*Our Company has issued an invoice for an amount of ₹0.01 million to KDMSL towards front office facilities processing fee for the month of March 2022, pursuant to an agreement dated May 30, 2013 (including amendments thereof) between Karvy Computershare Private Limited (which merged into our Company pursuant to the Scheme of Amalgamation) (“KCPL”) and KDMSL, whereby KCPL had agreed to provide front office services to KDMSL and assist KDMSL in providing services to certain intermediaries and its clients. During the FY 2021-22, the Company has invoiced a total amount of INR 1.31 lakhs, however, due to non-receipt of payment from KDMSL for the FY 2022, our Company has stopped rendering services to intermediaries and clients of KDMSL w.e.f., April 1, 2022, and therefore discontinued raising invoices to KDMSL from April 1, 2022.

For further details on risks in relation to transactions being entered into with related parties, see “Risk Factors - We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with our Shareholders” on page 58.

#### **F. Nature and extent of interest of our Group Companies.**

a) *In the promotion of our Company*

Our Group Companies do not have any interest in the promotion of our Company.

b) *In the properties acquired by us in the preceding three years before the date of this Red Herring Prospectus or proposed to be acquired by our Company*

Our Group Companies are not interested in the properties acquired by us in the three years preceding the filing of this Red Herring Prospectus or proposed to be acquired by us as on the date of this Red Herring Prospectus.

c) *In transactions for acquisition of land, construction of building and supply of machinery*

Our Group Companies are not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

Our Board of Directors, at its meeting dated March 24, 2022, has authorized the Offer. Further, our Board of Directors have taken on record the consent of the Promoter Selling Shareholder to participate in the Offer for Sale pursuant to its resolutions dated March 24, 2022 and December 10, 2022.

Our Board and the IPO Committee have approved the Draft Red Herring Prospectus in its meetings dated March 30, 2022 and March 31, 2022, respectively. This Red Herring Prospectus has been approved by our Board of Directors, at its meeting dated December 10, 2022.

The Promoter Selling Shareholder has confirmed and approved its participation in the Offer for Sale in relation to its portion of the Offered Shares, as set out below:

S. No.	Name of the Promoter Selling Shareholder	No. of Offered Shares	Date of Promoter Selling Shareholder's consent letter	Date of corporate authorization/board resolution
1.	General Atlantic Singapore Fund Pte. Ltd.	[•] Equity Shares for an aggregate amount of up to ₹ 15,000 million	December 1, 2022	March 14, 2022

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated June 16, 2022.

### Prohibition by SEBI, RBI or other Governmental Authorities

Our Company, Subsidiaries, Promoter, members of the Promoter Group, Directors, persons in control of our Company and the persons in control of our Promoter are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoter and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

Except for Jaideep Hansraj who is a director of Kotak Securities Limited and Kotak Mahindra Financial Services Limited (registered with Abu Dhabi Global Markets), none of our Directors are, in any manner, associated with the securities market and there is no outstanding action initiated by SEBI against the Directors of our Company in the past five years preceding the date of this Red Herring Prospectus.

Our Company, Promoter or Directors have neither been declared as Wilful Defaulters nor as Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters or a fraudulent borrower issued by the RBI.

Our Promoter or Directors have not been declared as fugitive economic offenders.

### Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoter (who is also Promoter Selling Shareholder), our Directors and members of Promoter Group confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Red Herring Prospectus.

### Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(2) of the SEBI ICDR Regulations, which states the following:

*“An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy five per cent. of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.”*

We are an unlisted company not satisfying the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations and are therefore required to meet the conditions detailed in Regulation 6(2) of the SEBI ICDR Regulations.

We undertake to comply with Regulation 6(2) of the SEBI ICDR Regulations. Not less than 75% of the Offer is proposed to be allocated to QIBs and in the event that we fail to do so, the full Bid Amounts shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and other applicable laws.

The Promoter Selling Shareholder has, confirmed that it has held its portion of Offered Shares for a period of at least one year prior to the date of this Red Herring Prospectus and that it is in compliance with Regulation 8 of the SEBI ICDR Regulations and are eligible for being offered in the Offer for Sale.

The Promoter Selling Shareholder confirms compliance with and will comply with the conditions specified in Regulation 8A of the SEBI ICDR Regulations, to the extent applicable.

Further, in accordance with the conditions specified in Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees in the Offer shall be not less than 1,000 failing which the entire application monies shall be refunded forthwith, in accordance with the SEBI ICDR Regulations and other applicable laws.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable

Our Company is in compliance with the conditions specified in Regulation 5 of the SEBI ICDR Regulations. The details of compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

- (a) None of our Company, our Promoter (who is also Promoter Selling Shareholder), members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoter or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) None of our Company, our Promoter or Directors is a Wilful Defaulter or a Fraudulent Borrower.
- (d) None of our Promoter or Directors has been declared a fugitive economic offender (in accordance with Section 12 of the Fugitive Economic Offenders Act, 2018).
- (e) There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of this Red Herring Prospectus;
- (f) Our Company, along with the Registrar to the Offer, has entered into tripartite agreements dated March 22, 2022 and March 21, 2022 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;
- (g) The Equity Shares of our Company held by our Promoter are in dematerialised form; and
- (h) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. ICICI SECURITIES LIMITED, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, J.P. MORGAN INDIA PRIVATE LIMITED, IIFL SECURITIES LIMITED AND JEFFERIES INDIA PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN**

**THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, ICICI SECURITIES LIMITED, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, J.P. MORGAN INDIA PRIVATE LIMITED, IIFL SECURITIES LIMITED AND JEFFERIES INDIA PRIVATE LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 31, 2022, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.**

**THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.**

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC including in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the RoC including in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act.

#### **Disclaimer from our Company, our Promoter, Directors and Book Running Lead Managers**

Our Company, our Promoter, Directors and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website <https://www.kfintech.com>, or the respective websites of our Subsidiaries, Promoter, members of Promoter Group or any affiliate of our Company would be doing so at his or her own risk.

The Book Running Lead Managers accept no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided for in the Underwriting Agreement to be entered into between the Underwriters, the Promoter Selling Shareholder and our Company.

All information shall be made available by our Company, the Promoter Selling Shareholder and the Book Running Lead Managers to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, the Book Running Lead Managers and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters, the Book Running Lead Managers and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Book Running Lead Managers and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, our Promoter, members of the Promoter Group, Subsidiaries, the Promoter Selling Shareholder and their respective directors and officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or

may in the future engage, in commercial banking and investment banking transactions with our Company, its directors, the Promoter, officers, agents, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

#### **Disclaimer from the Promoter Selling Shareholder**

The Promoter Selling Shareholder accepts no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website <https://www.kfintech.com>, or the respective websites of our Subsidiaries, Promoter, Promoter Group or any affiliate of our Company would be doing so at his or her own risk. The Promoter Selling Shareholder, its directors, affiliates, associates, and officers accept no responsibility for any statements made in this Red Herring Prospectus, other than those specifically made or confirmed by such Promoter Selling Shareholder in relation to itself as a Promoter Selling Shareholder and its portion of the Offered Shares.

Bidders will be required to confirm and will be deemed to have represented to the Promoter Selling Shareholder and its directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. The Promoter Selling Shareholder and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

#### **Disclaimer in respect of Jurisdiction**

This Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, state industrial development corporations, insurance companies registered with IRDAI, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, permitted provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Hyderabad, India only.

Neither the delivery of this Red Herring Prospectus nor the offer of the Offered Shares shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Promoter Selling Shareholder since the date of this Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. **No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

#### **Important Information for Investors – Eligibility and Transfer Restrictions**

**The Equity Shares offered in the Offer have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and accordingly, the Equity Shares are being offered and sold (i) within the United States solely to persons who are reasonably**



**believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from the registration requirements of the U.S. Securities Act, and (ii) outside the United States in “offshore transactions” as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.**

#### **Disclaimer clause of BSE**

As required, a copy of the Draft Red Herring Prospectus was submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, is as follows:

*“BSE Limited (“the Exchange”) has given vide its letter dated June 16, 2022, permission to this Company to use the Exchange’s name in this offer document as one of the stock exchanges on which this company’s securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner: -*

- A) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or*
- B) warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or*
- C) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;*

*and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever”*

#### **Disclaimer clause of the NSE**

As required, a copy of the Draft Red Herring Prospectus was submitted to the NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, is as follows:

*“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/1623 dated June 16, 2022, permission to the Issuer to use the Exchange’s name in this Offer Document as one of the Stock Exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.*

*Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”*

#### **Listing**

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges.

Application will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid/ Offer Closing Date or within such other period as may be prescribed. The Promoter Selling Shareholder confirms that it shall extend reasonable support and co-operation (to the extent of its portion of the Offered Shares) as required by law for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed.

If the Company does not Allot the Equity Shares within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Accounts will be transferred to the Refund Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders as prescribed under applicable law.

### **Consents**

Consents in writing of: (a) the Promoter Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, Banker(s) to the Company, legal counsels appointed for the Offer, the Book Running Lead Managers, the Registrar to the Offer, Statutory Auditors, the Independent Chartered Accountant, in their respective capacities, have been obtained; (b) consents of the the Syndicate Member, the Banker(s) to the Offer/ Escrow Collection Bank/ Refund Bank, Sponsor Banks, to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, and such consents, which have been obtained, have not been withdrawn up to the time of delivery of this Red Herring Prospectus.

### **Experts to the Offer**

Except as stated below, our Company has not obtained any expert opinions:

- i. Our Company has received written consent dated December 1, 2022 from BSR & Associates LLP, Chartered Accountants, to include their name as required under section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated November 17, 2022 on our Restated Consolidated Financial Information; and (ii) their report dated December 1, 2022 on the Statement of Possible Special Tax Benefits in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act; and
- ii. Our Company has received written consent December 1, 2022, from the independent chartered accountant, namely M H A & Associates LLP to include their name in this Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013.

### **Particulars regarding public or rights issues by our Company during the last five years**

Our Company has not made any public or rights issue during the last five years.

### **Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entity during the last three years**

Other than as disclosed in “*Capital Structure*” on page 95, our Company has not made any capital issues during the three years preceding the date of this Red Herring Prospectus. Further, our Company does not have any listed group companies, subsidiaries or associate companies.

### **Commission and Brokerage paid on previous issues of the Equity Shares in the last five years**

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares for last five years by our Company.

**Performance vis-à-vis objects – Public/ rights issue of our Company**

Our Company has not undertaken any public or rights issue in the five years preceding the date of this Red Herring Prospectus.

**Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed Promoter of our Company**

The securities of our Promoter and our Subsidiaries are not listed on any stock exchange.

## Price information of past issues handled by the Book Running Lead Managers

### A. ICICI Securities Limited

#### 1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by ICICI Securities Limited

Sr. No.	Issue Name	Issue Size (Rs. Mn.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1	AGS Transact Technologies Limited <sup>^</sup>	6,800.00	175.00	31-JAN-22	176.00	-42.97%,-[3.05%]	-28.63%,-[1.64%]	-52.69%,-[0.77%]
2	Adani Wilmar Limited <sup>^^</sup>	36,000.00	230.00 <sup>(1)</sup>	08-FEB-22	227.00	+48.00%,-[5.34%]	+180.96%,-[4.95%]	+193.26%,-[0.76%]
3	Vedant Fashions Limited <sup>^^</sup>	31,491.95	866.00	16-FEB-22	935.00	+3.99%,-[0.20%]	+14.53%,-[8.54%]	+37.67%,-[2.17%]
4	Life Insurance Corporation of India <sup>^</sup>	2,05,572.31	949.00 <sup>(2)</sup>	17-MAY-22	867.20	-27.24%,-[3.27%]	-28.12%,-[9.47%]	-33.82%,-[13.76%]
5	Prudent Corporate Advisory Services Limited <sup>^</sup>	4,282.84	630.00 <sup>(3)</sup>	20-MAY-22	660.00	-20.71%,-[5.46%]	-2.10%,-[10.92%]	+26.23%,-[13.89%]
6	Paradeep Phosphates Limited <sup>^</sup>	15,017.31	42.00	27-MAY-22	43.55	-10.24%,-[3.93%]	+27.50%,-[7.65%]	+31.19%,-[11.91%]
7	Syrma SGS Technology Limited <sup>^</sup>	8,401.26	220.00	26-AUG-22	262.00	+31.11%,-[1.25%]	+29.20%,-[4.55%]	NA*
8	Fusion Micro Finance Limited <sup>^^</sup>	11,039.93	368.00	15-NOV-22	359.50	NA*	NA*	NA*
9	Five Star Business Finance Limited <sup>^^</sup>	15,885.12	474.00	21-NOV-22	468.80	NA*	NA*	NA*
10	Archean Chemical Industries Limited <sup>^^</sup>	14,623.05	407.00	21-NOV-22	450.00	NA*	NA*	NA*

\*Data not available.

^BSE as designated stock exchange

^^NSE as designated stock exchange

(1) Discount of Rs. 21 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 230.00 per equity share.

(2) Discount of Rs. 45 per equity share offered to eligible employees and Retail Individual Bidders. Discount of Rs. 60 per equity share offered to eligible policyholders. All calculations are based on Issue Price of Rs. 949.00 per equity share

(3) Discount of Rs. 59 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 630.00 per equity share.

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by ICICI Securities Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-23*	7	2,74,821.82	-	1	2	-	1	-	-	1	-	-	2	-
2021-22	26	7,43,520.19	-	3	6	6	4	7	3	4	5	5	4	5
2020-21	14	1,74,546.09	-	-	5	5	2	2	-	1	3	5	3	2

\* This data covers issues up to YTD

**Notes:**

1. Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective Issuer Company.
2. Similarly, benchmark index considered is “NIFTY 50” where NSE is the designated stock exchange and “S&P BSE SENSEX” where BSE is the designated stock exchange, as disclosed by the respective Issuer Company.
3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day.

**B. Kotak Mahindra Capital Company Limited**

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Kotak Mahindra Capital Company Limited

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
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1.	Five-Star Business Finance Limited	15,934.49	474	November 21, 2022	468.80	Not Applicable	Not Applicable	Not Applicable
2.	Bikaji Foods International Limited	8,808.45	300 <sup>1</sup>	November 16, 2022	321.15	Not Applicable	Not Applicable	Not Applicable
3.	Global Health Limited	22,055.70	336	November 16, 2022	401.00	Not Applicable	Not Applicable	Not Applicable
4.	Aether Industries Limited	8,080.44	642	June 03, 2022	706.15	+21.00%,-5.13%	+34.54%, [+6.76%]	+40.15%, [+12.40%]
5.	Delhivery Limited	52,350.00	493 <sup>2</sup>	May 24, 2022	493.00	+3.49%,-4.41%	+17.00%, [+10.13%]	-27.99%, [+13.53%]
6.	Life Insurance Corporation Of India	205,572.31	949 <sup>3</sup>	May 17, 2022	867.20	-27.24%,-3.27%	-28.12%, [+9.47%]	-33.82%, [+13.76%]
7.	Rainbow Children's Medicare Limited	1,5808.49	542 <sup>4</sup>	May 10, 2022	510.00	-13.84%, [+0.72%]	-12.80%, [+7.13%]	+49.20%, [+11.56%]
8.	Campus Activewear Limited	13,996.00	292 <sup>5</sup>	May 9, 2022	360.00	+11.92%, [+0.70%]	+41.71%, [+6.72%]	+91.04%, [+11.14%]
9.	Vedant Fashions Limited	31,491.95	866	February 16, 2022	935.00	+3.99%,-0.20%	+14.53%, [-8.54%]	+37.67%, [+2.17%]
10.	Adani Wilmar Limited	36,000.00	230 <sup>6</sup>	February 8, 2022	227.00	+48.00%,-5.34%	+180.96%, [-4.95%]	+193.26%, [+0.76%]

Source: www.nseindia.com; www.bseindia.com

Notes:

- In Bikaji Foods International Limited, the issue price to eligible employees was ₹ 285 after a discount of ₹ 15 per equity share
  - In Delhivery Limited, the issue price to eligible employees was ₹ 468 after a discount of ₹ 25 per equity share
  - In Life Insurance Corporation of India, the issue price to retail investors and eligible employees was ₹ 904 after a discount of ₹ 45 per equity share and the issue price to eligible policyholders was ₹ 889 after a discount of ₹ 60 per equity share
  - In Rainbow Children's Medicare Limited, the issue price to eligible employees was ₹ 522 after a discount of ₹ 20 per equity share
  - In Campus Activewear Limited, the issue price to eligible employees was ₹ 265 after a discount of ₹ 27 per equity share
  - In Adani Wilmar Limited, the issue price to eligible employees was ₹ 209 after a discount of ₹ 21 per equity share
  - In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.
  - The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.
  - Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.
  - Restricted to last 10 equity initial public issues.
2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Kotak Mahindra Capital Company Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-23	8	342,605.88	-	1	1	-	-	3	-	2	-	1	2	-
2021-22	19	624,047.99	-	-	5	5	5	4	1	4	2	8	2	2

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2020-21	6	140,143.77	-	-	1	2	1	2	-	-	-	4	1	1

Notes:

- The information is as on the date of this Red Herring Prospectus.
- The information for each of the financial years is based on issues listed during such financial year.

### C. J.P. Morgan India Private Limited

- Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by J.P. Morgan India Private Limited

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1	Life Insurance Corporation of India <sup>(a)</sup>	205,572.31	949 <sup>1</sup>	May 17, 2022	867.20	(27.2%), [-3.3%]	(28.1%), [+9.5%]	(33.8%); [+13.8%]
2	Rainbow Children's Medicare <sup>(b)</sup>	15,808.49	542 <sup>2</sup>	May 10, 2022	510.00	(13.8%), [+0.7%]	(12.8%), [+7.1%]	+49.2%; [+11.6%]
3	Adani Wilmar Limited <sup>(b)</sup>	36,000.00	230 <sup>3</sup>	February 08, 2022	227.00	+48.0%, [-5.3%]	+181.0%, [-5.0%]	+193.3%; [+0.8%]
4	One 97 Communications Limited <sup>(a)</sup>	183,000.00	2,150	November 18, 2021	1,955.00	(38.5%), [-4.4%]	(60.4%), [-2.5%]	(72.5%), [-11.2%]
5	Nuvoco Vistas Corporation Limited <sup>(a)</sup>	50,000.00	570	August 23, 2021	471.00	(5.8%), [+6.2%]	(9.7%), [+7.3%]	(32.8%), [+4.1%]
6	Sona BLW Precision Forgings Limited <sup>(a)</sup>	55,500.00	291	June 24, 2021	302.40	+45.2%, [+0.5]	+93.4%, [+12.0%]	+140.3%, [+5.9%]
7	Macrotech Developers Limited <sup>(a)</sup>	25,000.00	486	April 19, 2021	439.00	+30.2%, [+4.7%]	+75.6%, [+10.8%]	+146.9%, [+27.9%]

Source: SEBI, Source: www.nseindia.com

- Price on the designated stock exchange is considered for all of the above calculation for individual stocks.  
(<sup>(a)</sup> BSE as the designated stock exchange; (<sup>(b)</sup> NSE as the designated stock exchange)
- In case 30th/90th/180th day is not a trading day, closing price on the stock exchange of the previous trading day has been considered.
- Closing price of 30th, 90th, 180th calendar day from listing day has been taken as listing day plus 29, 89 and 179 calendar days respectively

4. Pricing performance is calculated based on the Issue price.
  5. Variation in the offer price for certain category of investors are:
    - <sup>1</sup> Discount of ₹45.0 per equity share offered to individual retail bidders and eligible employee(s); with discount of INR 60.0 per equity share offered to policyholder bidders respectively. All calculation are based on Issue price of ₹949 per equity share
    - <sup>2</sup> Discount of ₹20.0 per equity share offered to eligible employee bidders. All calculation are based on Issue price of ₹542 per equity share
    - <sup>3</sup> Discount of ₹21.0 per equity share offered to eligible employee bidders. All calculation are based on Issue price of ₹230 per equity share
  6. Pricing Performance for the benchmark index is calculated as per the close on the day of the listing date
  7. Benchmark index considered is NIFTY 50/S&P BSE Sensex basis designated stock exchange for each issue
  8. Issue size as per the basis of allotment
2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by J.P. Morgan India Private Limited

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-2023-YTD	2	2,21,381	NA	1	1	NA	NA	NA	NA	1	NA	NA	1	NA
2021-2022	5	3,49,500	NA	1	1	NA	3	NA	1	1	NA	3	NA	NA
2020-2021	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Note: In the event that any day falls on a holiday, the price/ index of the previous trading day has been considered. The information for each of the financial years is based on issues listed during such financial year.

#### D. IIFL Securities Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by IIFL Securities Limited

Sr. No.	Issue Name	Issue Size (in Rs. Mn)	Issue Price (Rs.)	Designated Stock Exchange as disclosed in the Red Herring Prospectus filed	Listing Date	Opening Price on Listing Date	+/- % change in closing price*, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180th calendar days from listing
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1	Vedant Fashions Limited	31,491.95	866.00	NSE	February 16, 2022	935.00	+3.99%,-[0.20%]	+14.53%,-[8.54%]	+37.67%,[+2.17%]
2	Rainbow Childrens Medicare Limited	15,808.49	542.00 <sup>(1)</sup>	NSE	May 10, 2022	510.00	-13.84%,[+0.72%]	-12.80%,[+7.13%]	+49.35%,[+11.56%]
3	eMudhra Limited	4,127.86	256.00	BSE	June 1, 2022	271.00	-1.52%,-[4.27%]	+40.66%,[+4.68%]	+22.13%,[+12.48%]
4	Syrma SGS Technology Limited	8,401.26	220.00	BSE	August 26, 2022	262.00	+31.11%,-[1.25%]	+29.20%,[+4.55%]	N.A.
5	Electronics Mart India Limited	5,000.00	59.00	NSE	October 17, 2022	90.00	+46.27%,[+6.31%]	N.A.	N.A.
6	Tracxn Technologies Limited	3,093.78	80.00	NSE	October 20, 2022	84.50	-10.06%,[+4.23%]	N.A.	N.A.
7	Fusion Micro Finance Limited	11,039.93	368.00	NSE	November 15, 2022	359.50	N.A.	N.A.	N.A.
8	Bikaji Foods International Limited	8,808.45	300.00 <sup>(2)</sup>	NSE	November 16, 2022	322.80	N.A.	N.A.	N.A.
9	Archean Chemical Industries Limited	14,623.05	407.00	NSE	November 21, 2022	450.00	N.A.	N.A.	N.A.
10	Kaynes Technology India Limited	8,578.20	587.00	NSE	November 22, 2022	778.00	N.A.	N.A.	N.A.

Source: [www.nseindia.com](http://www.nseindia.com); [www.bseindia.com](http://www.bseindia.com), as applicable

(1) A discount of INR 20 Per Equity Share was offered to eligible employees bidding in the employee reservation portion

(2) A discount of INR 15 Per Equity Share was offered to eligible employees bidding in the employee reservation portion

Note: Benchmark Index taken as NIFTY 50 or S&P BSE SENSEX, as applicable. Price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered for all of the above calculations. The 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30<sup>th</sup> /90<sup>th</sup> / 180<sup>th</sup> calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. NA means Not Applicable. The above past price information is only restricted to past 10 initial public offers.

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by IIFL Securities Limited

Financial Year	Total No. of IPO's	Total Funds Raised (in Rs. Mn)	No. of IPOs trading at discount – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount – 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium – 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2020-21	8	47,017.65	-	-	4	2	1	1	-	1	-	3	3	1
2021-22	17	3,58,549.95	-	-	5	-	4	8	-	6	4	3	1	3
2022-23	9	79,481.02	-	-	3	-	2	-	-	-	-	-	1	1

Source: www.nseindia.com; www.bseindia.com, as applicable

Note: Data for number of IPOs trading at premium/discount taken at closing price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.

NA means Not Applicable.

**E. Jefferies India Private Limited**

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Jefferies India Private Limited

S. No.	Issue name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Global Health Limited	22,055.70	336.00	November 16, 2022	401.00	N.A.	N.A.	N.A.
2.	CMS Info Systems Limited	20,000.00	216.00	December 31, 2021	220.00	+21.99% [-1.81%]	+25.35% [0.74%]	+3.75% [8.71%]
3.	Star Health and Allied Insurance Company Limited	64,004.39	900.00 <sup>@</sup>	December 10, 2021	845.00	-14.78% [+1.72%]	-29.79% [-6.66%]	-22.21% [-6.25%]
4.	PB Fintech Limited	57,097.15	980.00	November 15, 2021	1,150.00	14.86% [-4.33%]	-20.52% [-4.06%]	-34.16% [-12.85%]
5.	Nazara Technologies Limited	5,826.91	1,101.00 <sup>*</sup>	March 30, 2021	1,990.00	62.57% [0.13%]	38.22% [6.84%]	94.60% [20.26%]

Notes: \* - A Discount of ₹ 110 per equity was offered to eligible employees bidding in the employee reservation portion

@ - A Discount of ₹ 80 per equity share to eligible employees bidding in the employee reservation portion

Source: CMS Info Systems data sourced from www.bseindia.com, All other Issue data sourced from www.nseindia.com

1. Benchmark index considered is NIFTY

2. In case 30th/90th/180th day is not a trading day, closing price on NSE, BSE of the previous trading day has been considered

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Jefferies India Private Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-23	1*	22,055.70	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	3	121,101.54	-	-	1	-	-	2	-	1	1	-	-	1
2020-21	1	5,829.13	-	-	-	1	-	-	-	-	-	1	-	-

Notes: \* - Details for Global Health Limited("Medanta") listed on 16<sup>th</sup> November '22, is not available.

## Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the websites of the Book Running Lead Managers, as set forth in the table below:

S. No	Name of the BRLM	Website
1.	ICICI Securities Limited	<a href="http://www.icicisecurities.com">www.icicisecurities.com</a>
2.	Kotak Mahindra Capital Company Limited	<a href="http://www.investmentbank.kotak.com">www.investmentbank.kotak.com</a>
3.	J.P. Morgan India Private Limited	<a href="http://www.jpmipl.com">www.jpmipl.com</a>
4.	IIFL Securities Limited	<a href="http://www.iiflcap.com">www.iiflcap.com</a>
5.	Jefferies India Private Limited	<a href="http://www.jefferies.com">www.jefferies.com</a>

## Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

## Mechanism for redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

**Bidders can contact the Company Secretary and Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs, in the manner provided below**

All grievances (other than from Anchor Investors) in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, UPI ID, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Book Running Lead Managers, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Book Running Lead Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company, the Book Running Lead Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, SEBI circular

SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to the SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay at the rate of 15% per annum for any delay beyond this period of 15 days. Further, in accordance with the provisions of the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the investors shall be compensated by the SCSBs at the rate higher of ₹ 100 or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/ partially-allotted applications for the stipulated period. In an event there is a delay in redressal of investor grievances in relation to unblocking of amounts beyond the date of receipt of the complaint, the Book Running Lead Managers shall be liable to compensate the investors at the rate higher of ₹ 100 per day or 15% per annum of the application amount. Further, in terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the Book Running Lead Managers, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

#### **Disposal of Investor Grievances by our Company**

Our Company obtained authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 and the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has not received any investor grievances in the last three Financial Years prior to the filing of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Red Herring Prospectus. Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Alpana Uttam Kundu, as the Company Secretary and Compliance Officer for the Offer and she may be contacted in case of any pre-Offer or post-Offer related problems. For further details, see “*General Information*” on page 86.

Our Company has also constituted a Stakeholders’ Relationship Committee comprising of Prashant Saran, Vishwanathan Mavila Nair and Venkata Satya Naga Sreekanth Nadella as members, to review and redress shareholder and investor grievances. For further details, see “*Our Management*” on page 275.

The Promoter Selling Shareholder has severally and not jointly authorised the Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of their respective portion of the Offered Shares.

As on the date of this Red Herring Prospectus, there are Nil investor complaints / grievances pending against our Group Company, *i.e.*, Krishna Institute of Medical Sciences Limited.

#### **Exemption from complying with any provisions of securities laws, if any, granted by SEBI**

- (i) SEBI has pursuant to its letter dated October 14, 2022 bearing reference number SEBI/HO/CFD/RAC-DIL-1/P/OW/2022/52552/1 in response to our exemption application dated August 17, 2022 read with the addendum to the exemption application dated October 4, 2022, granted an exemption under Regulation

300(1)(c) of the SEBI ICDR Regulations in respect of the information and confirmations required from KDMSL, KSBL and Compar, group companies of the Company under the SEBI ICDR Regulations, to the extent not available or accessible to the Company from publicly available information published on the websites of government and regulatory bodies / authorities and stock exchanges;

- (ii) SEBI has pursuant to its letter dated October 14, 2022 bearing reference number SEBI/HO/CFD/RAC-DIL-1/P/OW/2022/52550/1 in response to our exemption application dated October 1, 2022 granted an exemption from the strict enforcement of Regulation 17 of the SEBI ICDR Regulations in relation to the imposition of the statutory lock-in on the KFin Subject Shares in view of the ED Orders.

In order to comply with (i) the submissions and undertakings made to SEBI in exemption applications dated October 1, 2022 and August 17, 2022, and the addendum to the exemption application dated October 4, 2022, and (ii) the conditions prescribed by SEBI in their letters dated October 14 2022, our Company has made relevant disclosures in this RHP. In respect of the aforementioned letters dated October 14, 2022, our Company is obligated to comply with certain on-going general conditions by providing relevant disclosures in the RHP and the Prospectus and inform SEBI, if required. While our Company shall endeavour to comply with the conditions in a timely manner, any inability of the Company to comply with the general conditions may have an adverse impact on the Offer.

## SECTION VII – OFFER INFORMATION

### TERMS OF THE OFFER

The Equity Shares being offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital, offer for sale and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

#### The Offer

The Offer comprises an Offer for Sale by the Promoter Selling Shareholder.

#### Ranking of the Equity Shares

The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. The Equity Shares Allotted in the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, MoA and AoA, and shall rank *pari passu* with the existing Equity Shares in all respects including dividends. For further details, see “*Description of Equity Shares and Terms of Articles of Association*” on page 486.

#### Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders as per the provisions of the Companies Act, our MoA, AoA, the Listing Regulations and other applicable laws including guidelines or directives that may be issued by the GoI in this respect. All dividends, declared by our Company after the date of Allotment (pursuant to the Allotment of Equity Shares), will be payable to the Allottees, for the entire year, in accordance with applicable law. For further details in relation to dividends, see “*Dividend Policy*” and “*Description of Equity Shares and Terms of Articles of Association*” on pages 301 and 486, respectively.

#### Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹ 10 and the Offer Price at Floor Price is ₹ [●] per Equity Share and at Cap Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in all editions of Financial Express, an English national daily newspaper, in all editions of Jansatta, a Hindi national daily newspaper, Hyderabad (Telangana) editions of the Surya a Telugu national daily newspaper (Telugu also being the regional language of Telangana, where our Registered Office is located) each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Managers, after the Bid/ Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination for the Equity Shares.

#### Compliance with Disclosure and Accounting Norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **Rights of the Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the AoA, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the Listing Regulations and our AoA and other applicable laws.

For a detailed description of the main provisions of the AoA of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “*Description of Equity Shares and Terms of Articles of Association*” on page 486.

## **Equity Shares to be allotted in Dematerialised Form**

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations and the Listing Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been entered into amongst our Company, the respective Depositories and Registrar to the Offer:

- Tripartite agreement dated March 22, 2022 amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated March 21, 2022 amongst our Company, CDSL and Registrar to the Offer.

## **Market Lot and Trading Lot**

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares for Retail Individual Bidder and Minimum NIB Application Size for Non-Institutional Bidders. For the method of basis of allotment, see “*Offer Procedure*” on page 464.

## **Joint Holders**

Where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

## **Nomination facility to Bidders**

In accordance with Section 72 of the Companies Act, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination/ cancel nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.



Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

### Withdrawal of the Offer

Our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Offer, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges simultaneously. The Book Running Lead Managers, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks, in case of UPI Bidders using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment.

### Bid/ Offer Programme

<b>BID/ OFFER OPENS ON</b>	Monday, December 19, 2022 <sup>(1)</sup>
<b>BID/ OFFER CLOSSES ON</b>	Wednesday, December 21, 2022 <sup>(2)</sup>

(1) Our Company and the Promoter Selling Shareholder may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date i.e., Friday, December 16, 2022.

(2) UPI mandate end time and date shall be at 05:00 pm on Bid/Offer Closing Date i.e. Wednesday, December 21, 2022

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/ Offer Closing Date	Wednesday, December 21, 2022
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Monday, December 26, 2022
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about Tuesday, December 27, 2022
Credit of Equity Shares to demat accounts of Allottees	On or about Wednesday, December 28, 2022
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Thursday, December 29, 2022

\*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated by the intermediary responsible for causing such delay in unblocking in accordance with applicable law. The Bidder shall be compensated in the manner specified in the SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no.

SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. From the date of receipt of complaint from the Bidder, in addition to the compensation to be paid by the SCSBs as above, the post-Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of on which grievance is received by the BRLMs or Registrar until the date on which the blocked amounts are unblocked.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

**The above timetable is indicative and does not constitute any obligation or liability on our Company, the Promoter Selling Shareholder and the Book Running Lead Managers.**

**Whilst the Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/ Offer Closing Date, or such other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid/ Offer Period by our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges, and delay in respect of final certificates from SCSBs. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Promoter Selling Shareholder confirms that it shall extend reasonable co-operation required by law for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed.**

In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Managers will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

**SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of the Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change to any revised SEBI circulars to this effect.**

**Submission of Bids (other than Bids from Anchor Investors):**

<b>Bid/ Offer Period (except the Bid/ Offer Closing Date)</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))
<b>Bid/ Offer Closing Date*</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

\*UPI mandate end time and date shall be at 5.00pm on Bid/Offer Closing Date.

**On the Bid/ Offer Closing Date, the Bids shall be uploaded until (except Bids by Anchor Investors):**

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders where the Bid Amount is in excess of ₹ 500,000, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by UPI Bidders, where the Bid Amount is up to ₹ 500,000.

On Bid/ Offer Closing Date, extension of time will be granted by the Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the Book Running Lead Managers to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB’s on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB’s shall unblock such applications by

the closing hours of the Working Day and submit the confirmation to the BRLMs and the Registrar to the Offer on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Member shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date, and in any case no later than 3:00 p.m. IST on the Bid/ Offer Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only during Working Days, during the Bid/ Offer Period. Bids and revisions shall not be accepted on Saturdays and public holidays.

The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations, provided that the Cap Price will be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

**In case of revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, strike or similar circumstances, our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice and also by indicating the change on the respective websites of the Book Running Lead Managers and the terminals of the Syndicate Member and by intimation to the Designated Intermediaries and Sponsor Banks, as applicable. In case of revision of price band, the Bid lot shall remain the same.**

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

**The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.**

#### **Minimum Subscription**

The requirement of minimum subscription is not applicable to the Offer for Sale in accordance with the SEBI ICDR Regulations. In the event our Company does not receive a subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the date of Bid/ Offer Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing

or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, the Promoter Selling Shareholder, to the extent applicable, and our Company shall forthwith refund the entire subscription amount received in accordance with applicable law. In terms of the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI ICDR Regulations, our Company shall within four days from the closure of the Offer, refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. If there is a delay beyond the prescribed time, the Promoter Selling Shareholder, to the extent applicable, and our Company shall pay interest prescribed under the applicable law.

Our Company and shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of the SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Promoter Selling Shareholder and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

### **New Financial Instruments**

Our Company is not issuing any new financial instruments through this Offer.

### **Arrangements for Disposal of Odd Lots**

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

### **Option to receive Equity Shares in Dematerialized Form**

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

### **Restrictions, if any, on Transfer and Transmission of Equity Shares and on their consolidation or splitting**

Except for lock-in of the pre-Offer capital of our Company, lock-in of the Promoter’s minimum contribution and the Anchor Investor lock-in as provided in “*Capital Structure*” on page 95 and except as provided under the AoA, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the AoA. For further details, see “*Description of Equity Shares and Terms of Articles of Association*” on page 486.

## OFFER STRUCTURE

Initial Public Offering of up to [●] equity shares of face value of ₹ 10 each (“**Equity Shares**”) of our Company for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) (“**Offer Price**”) aggregating up to ₹ 15,000 million (the “**Offer**”) comprising an offer for sale of up to [●] Equity Shares aggregating to ₹ 15,000 million (“**Offer for Sale**”) by General Atlantic Singapore Fund Pte. Ltd. (the “**Promoter Selling Shareholder**”). The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment / Allocation <sup>*(2)</sup>	Not less than [●] Equity Shares	Not more than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and RIBs	Not more than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and NIBs.
Percentage of Offer available for Allotment/allocation	<p>Not less than 75% of the Offer shall be available for allocation to QIB Bidders.</p> <p>However, up to 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be added to the Net QIB Portion.</p>	<p>Not more than 15% of the Offer or the Offer less allocation to QIB Bidders and RIBs will be available for allocation, out of which i) one third shall be reserved for Bidders with Bids exceeding ₹ 200,000 and up to ₹ 1,000,000; and ii) two thirds shall be reserved for Bidder with Bids exceeding ₹ 1,000,000.</p> <p>Provided that the unsubscribed portion in either of the subcategories specified above may be allocated to applicants in the other sub-category of Non-Institutional Bidders</p>	Not more than 10% of the Offer or the Offer less allocation to QIB Bidders and NIBs
Basis of Allotment if respective category is oversubscribed	<p>Proportionate as follows (excluding the Anchor Investor Portion):</p> <p>(a) [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and</p> <p>(b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.</p> <p>Up to 60% of the QIB Portion (<i>i.e.</i>, [●] Equity Shares) to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds</p>	<p>Allotment to each NIBs shall not be less than the Minimum NIB Application Size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining Equity Shares, if any, shall be allotted on a proportionate basis. For details, see “<i>Offer Procedure</i>” beginning on page 464.</p>	<p>Allotment to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis. For further details, see “<i>Offer Procedure</i>” beginning on page 464.</p>

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
	only subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.		
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000.	[●] Equity Shares.
Maximum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer (excluding the QIB Portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share. For Non-Institutional Bidder allotment shall not be less than the Minimum NIB Application Size		
Trading Lot	One Equity Share		
Who can Apply <sup>(3)</sup>	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, multilateral and bilateral development financial institutions, Mutual Funds, Eligible FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs, registered with SEBI, state industrial development corporation, insurance company registered with IRDAI, provident funds with minimum corpus of ₹ 250 million, pension funds with minimum corpus of ₹ 250 million, National Investment Fund set up by the GoI, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and NBFC-SIs	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices.	Resident Indian individuals, HUFs (in the name of the karta) and Eligible NRIs.
Terms of Payment	<p><b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids<sup>(4)</sup>.</p> <p><b>In case of all other Bidders:</b> Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder, or by the Sponsor Banks through the UPI Mechanism (for RIBs or Individual investors bidding under the Non – Institutional Portion for an amount of more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism), that is specified in the ASBA Form at the time of submission of the ASBA Form.</p>		
Mode of Bidding <sup>**</sup>	Only through the ASBA process (except for Anchor Investors). In case of UPI Bidders, ASBA process will include the UPI mechanism.		

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
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\* Assuming full subscription in the Offer.

\*\* SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in Public Issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIB, NIB and RIB and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

<sup>(1)</sup> Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the QIB Portion. For further details, see "Offer Procedure" on page 464.

<sup>(2)</sup> Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the SCRR and under Regulation 6(2) of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not more than 15% of the Offer shall be available for allocation to Non-Institutional Bidders, out of which (a) one-third of the Non-Institutional Portion will be available for allocation to Bidders with a Bid size of more than ₹ 200,000 and up to ₹ 1,000,000 and (b) two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with a Bid size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Portion. Further, not more than 10% of the Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Promoter Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please see "Terms of the Offer" on page 455.

<sup>(3)</sup> In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

<sup>(4)</sup> Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.

Bids by FPIs with certain structures as described under "Offer Procedure - Bids by FPIs" on page 470 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

## OFFER PROCEDURE

All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “**General Information Document**”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) Issuance of CAN and Allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid Form,) designated date, disposal of applications and electronic registration of bids; (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act relating to punishment for fictitious applications; (x) mode of making refunds; (xi) designated date, (xii) interest in case of delay in allotment or refund; and (xiii) disposal of application.

SEBI vide the UPI Circulars, has introduced an alternate payment mechanism using Unified Payments Interface (“**UPI**”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“**UPI Phase I**”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days will be made effective using the UPI Mechanism for applications by UPI Bidders (“**UPI Phase III**”), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on or after May 1, 2021 except as amended pursuant to SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the provisions of this circular, are deemed to form part of this Red Herring Prospectus.

Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism. Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

The Book Running Lead Managers shall be the nodal entity for any issues arising out of public issuance process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days



*from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.*

*Our Company, the Promoter Selling Shareholder and the Book Running Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.*

*Further, our Company, the Promoter Selling Shareholder and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.*

### **Book Building Procedure**

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and the Promoter Selling Shareholder in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Offer shall be available for allocation to Non-Institutional Investors out of which (a) one third of such portion shall be reserved for Non-Institutional Bidders with Bid size of more than ₹ 0.20 million and up to ₹ 1.00 million; and (b) two third of such portion shall be reserved for Non-Institutional Bidders with Bid size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to Non-Institutional Bidders in the other sub-category of Non-Institutional Bidders and not more than 10% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company and the Promoter Selling Shareholder in consultation with the BRLMs, and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID (for UPI Bidders bidding through the UPI Mechanism), as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the IPO, subject to applicable law.**

### **Phased implementation of Unified Payments Interface**

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by UPI Bidders through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019. Under this phase, submission of the ASBA Form without UPI by UPI Bidders to Designated Intermediaries (other than SCSBs) for blocking of funds will be discontinued. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice. Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹ 500,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Member, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

Pursuant to the UPI Streamlining Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLMs will be required to compensate the concerned investor.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 500,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders using the UPI.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Managers.

## **Bid cum Application Form**

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the ASBA Form will also be available for download on the respective websites of the Stock Exchanges ([www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/ Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the Book Running Lead Managers.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. UPI Bidders are mandatorily required to use the UPI Mechanism for submitting their bids to Designated Intermediaries and are also allowed to use ASBA process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

UPI Bidders bidding using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected. UPI Bidders may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

ASBA Bidders (including UPI Bidders using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Banks, as applicable, at the time of submitting the Bid. In order to ensure timely information to Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/unblocked. For all initial public offers opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular shall be applicable for all categories of investors viz. Retail Individual Bidders, QIBs and NIBs and also for all modes through which the applications are processed.

Non-Institutional Bidders bidding through UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form. UPI Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

The Sponsor Banks shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks make an application as prescribed in Annexure I of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	Blue
Anchor Investors	White

\*Excluding electronic Bid cum Application Forms

Notes:

(1) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the respective websites of the Stock Exchanges ([www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com)).

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the Book Running Lead Managers.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis to enable the Sponsor Banks to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. The Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

The Sponsor Banks shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI mandate request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Banks, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions / investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Offer shall provide the audit trail to the Book Running Lead Managers for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022. In accordance with BSE Circular No: 20220803-40 and NSE Circular No: 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date (“Cut-Off Time”). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification of Bids shall be allowed in parallel during the Bid/Offer Period until the Cut-Off Time.

**For all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Issue Closing Date (“Cut-Off Time”). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.**

The Sponsor Banks will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Banks will undertake reconciliation of all Bid requests and responses throughout their lifecycle on a daily basis and share reports with the Book Running Lead Managers in the format and within the timelines as specified under the UPI Circulars. Sponsor Banks and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

## **ELECTRONIC REGISTRATION OF BIDS**

- a. The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- b. On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Red Herring Prospectus

Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. Further, modification of Bids shall be allowed in parallel during the Bid/ Offer Period until the Cut-Off Time.

### **Participation by Promoter and member of the Promoter Group of the Company, the Book Running Lead Managers and the Syndicate Member and persons related to Promoter/Promoter Group/the Book Running Lead Managers**

The Book Running Lead Managers and the Syndicate Member shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Book Running Lead Managers and the Syndicate Member may Bid for Equity Shares in the Offer, either in the QIB Portion, where the allocation is on a proportionate basis or in the Non-Institutional Portion as may be applicable to such Bidders, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Book Running Lead Managers and Syndicate Member, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the Book Running Lead Managers or any associates of the Book Running Lead Managers (except Mutual Funds sponsored by entities which are associates of the Book Running Lead Managers or insurance companies promoted by entities which are associate of the Book Running Lead Managers or AIFs sponsored by the entities which are associate of the Book Running Lead Managers or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the Book Running Lead Managers) nor; (ii) any “person related to the Promoter / Promoter Group” shall apply in the Offer under the Anchor Investor Portion.

For the purposes of the above, a QIB who has any of the following rights shall be deemed to be a “person related to the Promoter or Promoter Group”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoter or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the Book Running Lead Managers, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the Book Running Lead Managers.

The Promoter and the members of the Promoter Group, except to the extent of their respective Offered Shares, will not participate in the Offer.

### **Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof, subject to applicable laws.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

### **Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non- Resident External (“NRE”) accounts (including UPI ID, if activated), or Foreign Currency Non-Resident (“FCNR”) Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB to block their Non-Resident Ordinary (“NRO”) accounts or confirm or accept the UPI mandate request (in case of UPI Bidders using the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Participation by Eligible NRIs in the Offer shall be subject to the FEMA Rules.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

For further details, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 484.

### **Bids by HUFs**

Hindu Undivided Families or HUFs, are required to be made in the individual name of the *karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

### **Bids by FPIs**

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company and the Promoter Selling Shareholder, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason, subject to applicable laws.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has

directed that at the time of finalisation of the Basis of Allotment, the Registrar to the Offer shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, *inter alia*, the following conditions:

- (a) each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Bids by FPIs submitted under the multiple investment managers structure with the same PAN but with different beneficiary account numbers, Client ID and DP ID may not be treated as multiple Bids.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Further, Bids received from FPIs bearing the same PAN will be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "**MIM Structure**") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids will be rejected.

#### **Bids by SEBI registered VCFs, AIFs and FVCIs**

The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the SEBI (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI

FVCI Regulations prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. The holding in any company by any individual FVCI or VCF registered with SEBI should not exceed 25% of the corpus of the FVCI or VCF. An FVCI or VCF can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations).

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, Provided that such equity shares shall be locked in for a period of at least one year from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

Our Company, the Promoter Selling Shareholder or the Book Running Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of AIFs, VCFs and FVCIs shall also be subject to the FEMA Rules.

#### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form, failing this, our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers reserves the right to reject any Bid without assigning any reason thereof.

#### **Bids by banking companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers reserve the right to reject any Bid without assigning any reason. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower.

#### **Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form, failing this, our Company and



the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 as amended are broadly set forth below:

- (a) equity shares of a company: the lower of 10%\* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

*\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form, failing this, our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers reserves the right to reject any Bid, without assigning any reason thereof.

#### **Bids under power of attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form, failing this, our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers may deem fit.

#### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

### **Bids by Anchor Investors**

In accordance with the SEBI Regulations, the key terms for participation by Anchor Investors are provided below:

- 1) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Book Running Lead Managers.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date.
- 5) Our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and (c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum allotment of ₹50 million per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made available in the public domain by the Book Running Lead Managers before the Bid/ Offer Opening Date, through intimation to the Stock Exchanges.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.
- 9) 50% of the Equity Shares Allotted to Anchor Investors will be locked-in for a period of 90 days from the date of Allotment, and the remaining 50% of Equity Shares Allotted to Anchor Investors will be locked-in for a period of 30 days from the date of Allotment.
- 10) Neither (a) the Book Running Lead Managers (s) or any associate of the Book Running Lead Managers (other than mutual funds sponsored by entities which are associate of the Book Running Lead Managers or insurance companies promoted by entities which are associate of the Book Running Lead Managers or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the Book Running Lead Managers or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the Book Running Lead Managers) nor (b) the Promoter, Promoter Group or any person related to the Promoter or members of the Promoter Group shall apply under the Anchor Investors category. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, please read the General Information Document.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Offer.

**The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholder and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus and the Prospectus.**

### **Information for Bidders**

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Promoter Selling Shareholder and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

### **General Instructions**

#### ***Do's:***

1. Check if you are eligible to apply as per the terms of this Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
4. Ensure that you (other than Anchor Investors) have mentioned the correct ASBA Account number if you are not an UPI Bidders bidding using the UPI Mechanism in the Bid cum Application Form and if you are an UPI Bidder using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. UPI Bidders using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate Member, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;
7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;

8. In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form;
9. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
10. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms. PAN of the First Bidder is required to be specified in case of joint Bids;
12. UPI Bidders bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (only for UPI Bidders using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
14. UPI Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;
15. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
17. Ensure that the Demographic Details are updated, true and correct in all respects;
18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
19. Ensure that the category and the investor status is indicated;
20. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
21. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign

and Indian laws;

22. Ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
23. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the mobile application and the UPI handle being used for making the application in the Offer is also appearing in the "list of mobile applications for using UPI in public issues" displayed on the SEBI website and is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
24. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorise blocking of funds equivalent to the revised Bid Amount in the UPI Bidders's ASBA Account;
25. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 5:00 p.m. on the Bid/ Offer Closing Date;
26. UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Banks to block the Bid Amount mentioned in the Bid Cum Application Form;
27. Ensure that Anchor Investors submit their Bid cum Application Forms only to the Book Running Lead Managers;
28. Ensure that ASBA bidders shall ensure that bids above ₹500,000, are uploaded only by the SCSBs;
29. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
30. UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, a UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Banks to block the Bid Amount mentioned in the Bid Cum Application Form; and
31. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in)).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

***Don'ts:***

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account.
8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
9. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
10. If you are a UPI Bidder and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
11. Anchor Investors should not Bid through the ASBA process;
12. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
13. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
14. Do not submit the General Index Register (GIR) number instead of the PAN;
15. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
16. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
17. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
18. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
19. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
20. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;
21. If you are a QIB, do not submit your Bid after 3:00 pm on the QIB Bid/Offer Closing Date;
22. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
23. Do not Bid for Equity Shares in excess of what is specified for each category;

24. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
25. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;
26. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
27. If you are an UPI Bidder which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;
28. Do not Bid if you are an OCB;
29. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;
30. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism;
31. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Member shall ensure that they do not upload any bids above ₹ 500,000;
32. Do not submit a Bid cum Application Form with a third party UPI ID or using a third party bank account (in case of Bids submitted by UPI Bidders using the UPI Mechanism); and
33. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected.

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to our Company Secretary and Compliance Officer. For further details of Company Secretary and Compliance Officer, see “*General Information*” on page 86.

#### **Grounds for Technical Rejection**

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids could be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Banks);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;
10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
11. GIR number furnished instead of PAN;
12. Bids by RIBs with Bid Amount of a value of more than ₹200,000 (net of retail discount, if any);
13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Bids accompanied by stock invest, money order, postal order or cash;
15. Bids submitted from the United States or with an address in the United States, where such Bidder is not a “qualified institutional buyer” (as defined in Rule 144A);
16. Bids below the Offer price;
17. Bids with inactive DP accounts;
18. Bids which appear to be in violation of the laws of any jurisdiction outside of India where an offer or sale of Equity Shares may not be lawfully made; and
19. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date where the Bid Amount is in excess of ₹ 500,000, and Bids by UPI Bidders uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges where the Bid Amount is up to ₹ 500,000.

Further, for helpline details of the Book Running Lead Managers pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 see, “*General Information–Book Running Lead Managers*” beginning on page 87.

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Stock Exchanges, along with the Book Running Lead Managers and the Registrar to the Offer, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any allotment in excess of the Equity Shares through the Offer Document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders, Non Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis. The allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion and the remaining Equity Shares, if any, shall be allotted on a proportionate basis.



### **Payment into Escrow Account(s) for Anchor Investors**

Our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Account(s). For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

- (a) In case of resident Anchor Investors: “KFin Technologies Limited Anchor Escrow Account R”
- (b) In case of Non-Resident Anchor Investors: “KFin Technologies Limited Anchor Escrow Account NR”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Promoter Selling Shareholder, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) all editions of Financial Express, a widely circulated English national daily newspaper; (ii) in all editions of Jansatta, a Hindi national daily newspaper; and (iii) Hyderabad (Telangana) editions of Surya, a Telugu national daily newspaper (Telugu also being the regional language of Telangana, where our Registered Office is located), each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/ Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

**The above information is given for the benefit of the Bidders/applicants. Our Company, the Promoter Selling Shareholder and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.**

### **Allotment Advertisement**

Our Company, the Book Running Lead Managers and the Registrar to the Offer shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in: (i) all editions of Financial Express, a widely circulated English national daily newspaper; (ii) all editions of Jansatta, a Hindi national daily newspaper; and (iii) Hyderabad (Telangana) editions of Surya , a Telugu national daily newspaper (Telugu also being the regional language of Telangana, where our Registered Office is located) , each with wide circulation.

### **Signing of the Underwriting Agreement and the RoC Filing**

- (a) Our Company, the Promoter Selling Shareholder and the Syndicate intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price but prior to the filing of Prospectus.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the ‘Prospectus’. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

### **Impersonation**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

*“Any person who:*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

### **Undertakings by our Company**

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders.
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/ Offer Closing Date or such other period as may be prescribed;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and applicable law for the delayed period;
- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- Promoter’s contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;
- that if our Company or the Promoter Selling Shareholder do not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given by our Company as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;
- that if our Company and the Promoter Selling Shareholder withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event our Company or the Promoter Selling Shareholder subsequently decide to proceed with the Offer; and
- No further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

### **Undertakings by the Promoter Selling Shareholder**

The Promoter Selling Shareholder undertakes that:

- the Equity Shares offered for sale by the Promoter Selling Shareholder are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations, are fully paid-up and are in

dematerialised form;

- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;
- it is the legal and beneficial owner of, and has clear and marketable title to, the Equity Shares which are offered by it pursuant to the Offer for Sale; and
- it shall not have recourse to the proceeds of the Offer, which shall be held in escrow in its favour, until final approval for trading of the Equity Shares from the Stock Exchanges where listing is sought has been received.

#### **Utilisation of Offer Proceeds**

Our Company and the Promoter Selling Shareholder, severally and not jointly, specifically confirm that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as Department of Industrial Policy and Promotion*) (“**DPIIT**”), issued the FDI Policy, which is effective from October 15, 2020, which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

As per the FDI Policy, FDI in companies not listed engaged in sector / activities which are not listed in the FDI policy is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions. For further details, see “*Key Regulations and Policies*” on page 251.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. For further details of the aggregate limit for investments by NRIs and FPIs in our Company, see “*Offer Procedure – Bids by Eligible NRIs*” and “*Offer Procedure – Bids by FPIs*” on page 470.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For further details, see “*Offer Procedure*” on page 464.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-Debt Instruments Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEMA Non-Debt Instruments Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Rules. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

**The Equity Shares offered in the Offer have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and accordingly, the Equity Shares are being offered and sold (i) within the United States solely to persons who are reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from the registrations requirements of the U.S. Securities Act, and (ii) outside the United States in “offshore transactions” as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. There will be no public offering of Equity Shares in the United States.**

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholder and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

**SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION**

**THE COMPANIES ACT, 2013**

**COMPANY LIMITED BY SHARES**

**(INCORPORATED UNDER THE COMPANIES ACT, 2013)**

**ARTICLES OF ASSOCIATION<sup>1</sup>**

**OF**

**\*KFIN TECHNOLOGIES LIMITED**

This set of Articles of Association has been approved pursuant to the provisions of Section 14 of the Companies Act, 2013 and by a special resolution passed at the Extraordinary General Meeting of KFin Technologies Limited (the “**Company**”) held on March 24, 2022. These Articles have been adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles thereof.

These Articles of Association of the Company comprises two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. Subject to the immediately succeeding paragraph, in case of any conflict between the provisions of Part A and Part B, the provisions of Part A shall prevail over the provisions of Part B to the extent of such conflict. The provisions of Part B shall be subject to the provisions of Part A for as long as the provisions of Part A have effect.

Notwithstanding the foregoing or anything contained in these Articles, Part A (including all schedules) shall stand automatically, terminated, deleted and cease to have force and effect from the date of receipt of final listing and trading approvals from the stock exchanges on which the Equity Shares are proposed to be listed, following an initial public offering of the Equity Shares, without the requirement of any further action by the Company or its shareholders. Part B shall continue to be in effect from the date of receipt of the above-mentioned final listing and trading approvals.

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**Part A**

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1. Subject as hereinafter provided, the regulations contained in Table ‘F’ in Schedule I to the Companies Act, 2013 (hereinafter referred to as “**Table F**”) shall apply to the Company, except in so far as they are modified or abrogated in these Articles. In case there is any conflict between the regulations in Table ‘F’ and the regulations contained in these presents, the latter shall take effect superseding the former.

**CHAPTER I – DEFINITIONS AND INTERPRETATION**

2. **Definitions:** Unless the context otherwise requires, words or expressions contained herein shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these Articles become binding on the Company. Capitalised terms used but not defined herein shall have the meaning ascribed to them under the SHA. In these Articles:

“**Act**” means the Companies Act, 2013.

“**Affiliate**” means and includes , in respect of any Person, other than a natural Person, any other Person that directly or indirectly, through one or more intermediate Persons, Controls, is Controlled by, or is under the common Control of such Person, *provided that:* (i) no Group Company shall be deemed to be an Affiliate of any Identified Shareholder; and (ii) no portfolio company of an Identified Shareholder

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<sup>1</sup> *These Articles of Association have been adopted pursuant to the resolution passed by the Members of Company at the Extraordinary General Meeting of the Company held on March 24, 2022.*

*\*The name of the Company was changed from KCPL ADVISORY SERVICES PRIVATE LIMITED to KARVY FINTECH PRIVATE LIMITED vide special resolution passed at the EGM held on 24.07.2017. The name was subsequently changed from KARVY FINTECH PRIVATE LIMITED to KFIN TECHNOLOGIES PRIVATE LIMITED vide special resolution dated 30.11.2019, and thereafter to KFIN TECHNOLOGIES LIMITED vide special resolution dated January 28, 2022.*

that is not Controlled by such Identified Shareholder, shall be deemed to be an Affiliate of such Identified Shareholder. For the avoidance of doubt, GASF shall be considered to be an Affiliate of GA KFT and *vice versa*.

“**Affirmative Consent Matters**” means the matters set out in **Schedule B** (*Affirmative Consent Matters*).

“**Annual Business Plan and Budget**” shall have the meaning assigned to it in Article 17.

“**Anti-Corruption and Anti-Money Laundering Laws**” means all Applicable Laws that relate to prevention of bribery, money laundering, corruption, fraud or similar or related activities, including for the avoidance of doubt, Prevention of Corruption Act, 1988, Prevention of Money Laundering Act, 2002, and all Applicable Laws that: (i) limit the use of and/or seek the forfeiture of proceeds from illegal transactions; (ii) limit commercial transactions with designated countries or individuals believed to be terrorists, narcotics dealers, supporters of weapons proliferation or otherwise engaged in activities contrary to the interests of India or other applicable countries; and/or (iii) are designed to disrupt the flow of funds to terrorist organisations, in each of the cases to such extent as applicable to the covered persons.

“**Applicable Law**” means, to the extent it applies to a Person, applicable provisions of all: (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, policies, notifications, guidelines or ordinances of any Governmental Authority as applicable to such Person; (ii) Governmental Approvals; and (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Governmental Authority.

“**Articles**” means these articles of association of the Company as amended from time to time.

“**Assets**” means assets or properties of every kind, nature, character and description (whether immovable, movable, tangible, intangible, absolute, accrued, fixed or otherwise) as operated, hired, rented, owned or leased by a Person, from time to time, including cash, cash equivalents, receivables, securities, accounts and note receivables, equipment, patents, copyright, domain names, trademarks, brands and other intellectual property, inventory, furniture, fixtures and insurance.

“**Auditing Firms**” means an audit firm of international repute as may be agreed between the Parties in writing.

“**Board**” and “**Board of Directors**” mean(s) the board of directors of the Company.

“**Board Meeting**” means a meeting of the Board, convened and held in accordance with the Act, the SHA and the Articles.

“**Business Day**” means any day, other than a Saturday, Sunday or public holiday, on which the commercial banks located in Hyderabad, Mumbai and Singapore are open for business during normal banking hours.

“**Business**” means the business of the Company and its Subsidiaries and includes providing: (i) services of a registrar to an issue of securities or of a share transfer agent, and back office functions in relation thereto; (ii) transfer agency and fund accounting services to the asset management industry (including, but not limited to, mutual funds, alternate investment funds and insurance companies) and compliance, back office operations and data processing and analytics activities in relation thereto; (iii) central recordkeeping agency services for the pension industry; and (iv) any other business activities that the Company or the Subsidiaries may engage in from time to time.

“**Charter Documents**” means the Memorandum and the Articles.

“**Company**” means KFin Technologies Limited, a Company incorporated under the (Indian) Companies Act, 2013 having its registered office at Selenium Building, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana 500032, India.

“**Company FMV**” means the fair market value of the Company (including the fair market value of its Subsidiaries or any investments made by the Company), which shall be determined in accordance with

Article 76.

“**Competing Business**” means (a) any business or activity, which is the same as, or similar to, or competes with, any part or segment of the Business. and (b) the business of asset management.

“**Competitor**” means:

- (i) for the purposes of Article 59, the Persons referred to in Schedule A hereto, as updated from time to time at the end of every Financial Year from May 28, 2021 by mutual agreement in writing between CP and GA and shall include the Affiliates of such Persons; and
- (ii) for the purposes of these Articles, other than Article 59, any Person who, by itself or through its Affiliates is engaged in a Competing Business and derives at least 20% (twenty percent) of its consolidated revenues, as per the latest consolidated audited financial statements of such Person available at the relevant time of determination, from such Competing Business and includes any Person that holds 26% (twenty six percent) or more of the voting rights or the issued share capital of a Competitor (calculated on a Fully Diluted Basis) of any Competitor. For the avoidance of doubt, it is clarified that neither the Investor nor GA shall be deemed to be a Competitor.

“**Consent**” means all permissions, consents, filings, grants, exemptions, registrations, licences, approvals and other authorisations of any Person.

“**Contract**” means any contract, agreements, undertaking, licence, lease, instrument, note, warranty, insurance policy, benefit plan or legally binding commitment or undertaking of any kind, whether express or implied.

“**Control**” including with its grammatical variations such as “**Controlled by**”, “**is Controlling**”, “**being Controlled by**”, “**that Controls**” and “**under common Control with**”, when used with respect to any Person, means and includes the possession, directly or indirectly, of, acting alone or together with another Person, the ability to direct the management and policies of such Person, whether: (i) through the ownership of over 50% (fifty percent) of the voting equity of such Person; (ii) through the power to appoint half or more than half of the members of the board of directors or similar governing body of such Person; or (iii) through contractual arrangements or otherwise, in each case, directly or indirectly through one or more intermediate Persons.

“**Corporate Event**” means splits, consolidation, combination, recapitalisations, reclassification, bonus issuance or any other similar corporate action transaction.

“**CP**” means Mr. C. Parthasarathy, holding an Indian passport bearing passport number L4119952, residing at D NO-8-2-293/82/A/648, Plot No-648 Road No-34, Jubilee Hills, Hyderabad – 500033.

“**CP Group**” means collectively: (a) CP, (b) C. Parthasarathy HUF, (c) Rajat Parthasarathy, (d) Compar Estates and Agencies Private Limited, and (f) each Permitted Transferee of the CP Group that is a Shareholder at the relevant time of reckoning.

“**Director**” means a director of the Company.

“**Effective Date**” means November 10, 2021.

“**Encumbrance**” means any mortgage, pledge, hypothecation, non-disposal undertaking, escrow, charge, lien or other security interest or encumbrance of any kind securing any obligation of any Person (including, without limitation, any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law), option, pre-emptive right, proxy, voting agreement, right of first offer, first, last or other refusal right, or transfer restriction in favor of any Person, beneficial ownership, adverse claim, title retention agreement, conditional sale agreement, any provisional, conditional or executory attachment, trust (other title exception of whatsoever nature), or any agreement to create any of the foregoing and the term “**Encumber**” shall be construed accordingly.

“**Equity Securities**” means all classes of Equity Shares, preference shares, and bonds, loans, options, warrants, debentures and any other securities, in each case that are convertible into, exercisable or



exchangeable for Equity Shares issued or issuable by the Company from time to time, or which carry any right to purchase or subscribe or which represent or bestow any beneficial ownership / interest to Equity Shares and shall be deemed to include all bonus shares issued in respect of such shares and shares issued pursuant to a split in respect of such shares; *provided that*, any non-convertible redeemable preference shares issued by the Company to any Person, shall not be considered as 'Equity Securities'.

“**Equity Shares**” means equity shares of the Company of face value of INR 10 (Indian Rupees ten) each.

“**ESOP**” means the employee stock option plan termed “*KFin Employees Stock Option Plan, 2020*” consisting of a pool of 70,93,839 (Seventy Lakhs, Ninety-Three Thousand, Eight Hundred and Thirty Nine) Equity Shares.

“**Financial Investor**” means any Person in good standing who primarily invests for financial rather than for strategic purposes (including mutual funds, venture capital funds, hedge funds, private equity funds, or any funds operating in a similar manner), and any investment entity or special purpose vehicle controlled, directly or indirectly, by such Person (but not being any of its portfolio companies).

“**Financial Statements**” of a Person, with respect to a period, means the standalone and consolidated balance sheet, profit and loss account, statements of income and cash flows and statement of changes in shareholders' equity (prepared on a consolidated basis or otherwise, as may be applicable), in each case, of such Person, for such period, on a standalone and consolidated basis.

“**Financial Year**” means each period of 12 (twelve) months commencing on April 1 of each calendar year and ending on March 31 the following calendar year which will be the fiscal year of the Company.

“**Fully Diluted Basis**” means the determination of Share Capital by aggregating: (i) all outstanding Equity Shares as of the date of such determination, and (ii) all Equity Shares issuable upon the exercise, conversion, or exchange of any convertible securities, options (including any employee stock options, whether or not issued, granted or vested), warrants, or other securities or rights to acquire or subscribe to Equity Shares (whether or not by their terms then currently convertible, exercisable or exchangeable) on the most favourable terms available to the holder(s) of such instrument(s) or right(s) for such exercise, conversion or exchange at that point in time; *provided that*: (a) any loans, debt or other financial facilities obtained from scheduled commercial banks or other public financial institutions in India (and which are in the nature of commercial loans, and not structured or mezzanine finance), under the terms of which a conversion into Equity Shares is envisaged upon occurrence of a default, and (b) any non-convertible redeemable preference shares or non-convertible redeemable debentures issued by the Company to any Person, shall not be considered for the purpose of calculation of the Share Capital on a “**Fully Diluted Basis**”, unless such default has occurred at the relevant time of determination.

“**GA**” means any one or both of the following (as the context may require): (i) General Atlantic Singapore Fund Pte. Ltd. (“**GASF**”), a company incorporated under the laws of Singapore and having its principal place of business at 8 Marina View, #41-04 Asia Square Tower 1, Singapore 018960; and (ii) General Atlantic Singapore KFT Pte. Ltd. (“**GA KFT**”), a company incorporated under the laws of Singapore and having its principal place of business at 8 Marina View, #41-04 Asia Square Tower 1, Singapore 018960.

“**GA Director**” shall have the meaning ascribed to such term in Article 4.2.

“**Governmental Approvals**” means any Consents of, with, or to, any Governmental Authorities under or pursuant to Applicable Laws.

“**Governmental Authority**” means national, state, provincial, local or similar government, governmental, regulatory or administrative authority, branch, agency, any statutory body or commission or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of Applicable Law in the relevant jurisdiction with respect to a Party, or any court, tribunal, arbitral or judicial body, or any stock exchange in the relevant jurisdiction.

“**Group Companies**” means, collectively, the Company and its Subsidiaries, and “**Group Company**” means any one of them.

“**Identified Conditions Precedent**” shall have the meaning ascribed to the term under the SPA.

“**Identified Shareholders**” means GA, the Investor and their respective Permitted Transferees at any given time.

“**Immediate Family**” in relation to a natural person means, the spouse, children (biological and adopted) of such person.

“**Incremental Equity Funding**” means a *bona fide* equity financing, raised from one or more Third Parties (“**New Investor**”) other than pursuant to an IPO, where such New Investor has been identified by a Recognised Merchant Banker appointed by the Board pursuant to a *bona fide* process managed by it by soliciting offers from potential investors for such funding, and such funding is in compliance with Applicable Laws.

“**Ind AS**” shall mean the Indian Accounting Standards as notified under Section 133 of the Act.

“**Independent Valuer**” means a Valuation Firm appointed by the Company pursuant to the Article 76.

“**Insolvency Event**” means, in relation to a Person, occurrence of an event where: (i) the Person has admitted in writing his inability to pay his debts generally, or made a general assignment for the benefit of his creditors; (ii) any step was taken for the administration, custodianship, receivership or protection from creditors of such Person, or in connection with any other insolvency proceedings involving the relevant Person, and such proceeding is not dismissed or stayed within a period of 60 (sixty) days *provided that*, such grace period is not applicable if such step or other insolvency related proceedings was initiated by the relevant Person; (iii) any order was made for any moratorium, composition, rehabilitation, administration, insolvency in respect of the Person; and/or (iv) any liquidator (including a provisional liquidator), trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator, examiner or similar officer (in each case, whether out of court or otherwise) was appointed in respect of the Person, or any of its Assets and such appointment was not vacated or stayed within 30 (thirty) days from the date of appointment of such provisional liquidator, *provided that*, such grace period is not applicable if the same is pursuant to an action initiated by such Person.

“**Investor**” means Kotak Mahindra Bank Limited, a company incorporated under the laws of India and having its registered office at 27 BKC, C 27, G Block Bandra Kurla Complex, Bandra (E), Mumbai, 400051 India.

“**Investor Director**” shall have the meaning ascribed to such term in Article 4.2.

“**INR**” or “**Indian Rupees**” mean(s) the lawful currency of India.

“**IPO**” means the initial public offering of the Equity Shares or other Equity Securities (including depository receipts) of the Company and consequent listing of all Equity Shares or such Equity Securities on a Recognised Stock Exchange in accordance with these Articles and Applicable Laws. For the avoidance of doubt, IPO includes a QIPO.

“**IPO Advisor**” means any investment bank, underwriter, lead manager or any other advisor.

“**Largest Shareholder**” means, between GA on the one hand and the Investor on the other hand, the Identified Shareholder which (together with its respective Permitted Transferee(s)) holds the largest percentage of the Share Capital.

“**Litigation**” means litigation of any kind and shall include all suits, civil and criminal actions, mediation or arbitration proceedings, and all legal proceedings, investigations, enquiries, searches pending, whether before any Governmental Authority or any arbitrator(s).

“**Losses**” means any direct losses or damages, and reasonable legal and other professional fees, costs

and expenses, in each case directly suffered or incurred or paid, but in all cases excluding any special, consequential, punitive, indirect or remote losses or damages.

“**Material Subsidiary**” means any Subsidiary that contributes to at least 20% (twenty percent) of the consolidated revenues of the Company, as per the latest consolidated audited Financial Statements of the Company at the relevant time of determination.

“**Memorandum**” means the memorandum of association of the Company from time to time.

“**Minimum Ownership Threshold 1**” means the lower of: (i) 1,25,43,825 (one crore twenty-five lakhs forty-three thousand eight hundred and twenty-five) Equity Shares (as appropriately adjusted for any Corporate Event(s)); and (ii) 7.5% (seven point five percent) of the Share Capital.

“**Minimum Ownership Threshold 2**” means 4% (four percent) of the Share Capital.

“**Nominee Directors**” means, collectively, the GA Directors, and the Investor Directors, and “**Nominee Director**” means any one of them.

“**Observer**” shall have the meaning ascribed to such term in Article 21.1.

“**Party**” or “**Parties**” mean a party or the parties to the SHA, as the case may be.

“**Permitted Issuance**” means: (i) any issuance of Equity Securities by way of a rights issue at a price per Equity Security that is not less than the fair market value of the Equity Security as at the date of the proposed issuance, determined in accordance with Article 76; and (ii) any Incremental Equity Funding.

“**Permitted Transferee**”

in relation to:

- (a) any member of the CP Group other than CP, shall mean: (i) a member of the Immediate Family of such member of the CP Group; (ii) an entity in which at least 76% (seventy six percent) of the legal and beneficial ownership is held by such member of the CP Group and / or any member of the Immediate Family of such member of the CP Group; (iii) any other member of the CP Group (including CP) and/ or any members of the Immediate Family of another member of the CP Group and/ or an entity in which at least 76% (seventy six percent) of the legal and beneficial ownership is held by such member of the CP Group and / or any member of the Immediate family of such member of the CP Group; and (iv) any Person to whom Equity Shares have been bequeathed under the will of such member of the CP Group and to whom the Equity Shares are proposed to be transmitted under such will;
- (b) any Person referred to in (a)(i), (a)(ii), (a)(iii) or (a)(iv) above shall mean any member of the CP Group (including CP), any members of the Immediate Family of such members of the CP Group and an entity in which at least 76% (seventy six percent) of the legal and beneficial ownership is held by one or more such Persons;
- (c) CP, shall mean: (i) the Immediate Family of CP; (ii) an entity in which at least 76% (seventy six percent) of the legal and beneficial ownership is held by CP and / or his Immediate Family; and (iii) any Person to whom Equity Shares have been bequeathed under the will of CP and to whom the Equity Shares are proposed to be transmitted under such will;
- (d) any Person referred to in (c)(i), (c)(ii) and (c)(iii) above, shall mean CP, any members of Immediate Family of CP and an entity in which at least 76% (seventy six percent) of the legal and beneficial ownership is held by one or more such Persons;
- (e) Identified Shareholders, means an Affiliate of such Identified Shareholder who is/ becomes a holder of the Equity Securities in accordance with the terms of the SHA, and includes a recipient of a Transfer of the Equity Securities carried out pursuant to Article 58. For the avoidance of doubt, a Permitted Transferee in respect of GASF includes GA KFT, and *vice versa*.

“**Person**” means any individual or any entity, including, a corporation, firm, company, joint venture,

trust, association, organization, partnership or proprietorship, including any governmental agency or regulatory body.

“**QIPO**” means an IPO by the Company of the Equity Shares (including by way of an offer for sale) that results in the listing of its Equity Shares on a Recognised Stock Exchange in accordance with these Articles that takes place at an offer price per Equity Share that is not less than the QIPO Floor Price.

“**QIPO Floor Price**” means the following:

- (i) Subscription Price, if the QIPO consummates on or before the expiry of 18 (eighteen) months from the Effective Date; and
- (ii) 1.20 (one point two) times the Subscription Price, if the QIPO consummates after the expiry of 18 (eighteen) months from the Effective Date,

in each case, reduced by the dividend(s) per Equity Share (if any) declared by the Company after the Effective Date.

“**Recognised Stock Exchanges**” shall mean BSE Limited and the National Stock Exchange of India Limited and/or such other stock exchange(s) in India and/or internationally, as may be agreed between the Parties in accordance with Applicable Law.

“**Related Party**” means, with respect to a Person, any other Person who is an Affiliate of that Person and (to the extent not already covered by the foregoing) any person who would be considered a related party of such Person by virtue of: (i) the relevant accounting standards in India; and/or (ii) the Act.

“**Related Party Transaction**” means any Contract or transaction between any Group Company, on one hand and its Related Party, on the other hand. Notwithstanding anything to the contrary, any transaction between (i) any 2 (two) or more wholly owned Subsidiaries; or (ii) between the Company, on one hand and one or more wholly owned Subsidiaries, on the other hand, shall not be considered to be a Related Party Transaction for the purposes of **Schedule B** (*Affirmative Consent Matters*).

“**Relevant Proportion**” means in relation to an Identified Shareholder, the proportion of its shareholding, on a Fully Diluted Basis, in the Company to the Share Capital, at the time of its determination.

“**Representatives**” of an Identified Shareholder and/or the Company means, its respective Affiliates (which includes a Competitor) and its and their directors, officers, managers, employees (including those on secondment), legal, financial and professional advisors and bankers.

“**SEBI**” means the Securities and Exchange Board of India.

“**Selling Shareholder**” shall have the meaning assigned to it in Article 64.2.1.

“**SHA Deed of Adherence**” means a deed of adherence executed in the form set out in Schedule 3 to the SHA.

“**SPA Deed of Adherence**” means a deed of adherence executed in the form set out in Schedule 11 to the SPA.

“**Share Capital**” means the issued and paid-up equity share capital of the Company, on a Fully Diluted Basis.

“**Shareholder**” means any Person who is a shareholder of the Company.

“**Shareholders’ Meeting**” means any meeting of the Shareholders of the Company.

“**Shareholders’ Agreement**” or “**SHA**” means the Identified Shareholders’ agreement dated September 19, 2021 executed between GA, Investor and the Company, as amended from time to time.

“**Share Purchase Agreement**” or “**SPA**” means the share purchase agreement dated May 28, 2021

executed between GA, CP Group, Adhiraj Parthasarathy and the Company, as amended from time to time, and as acceded to by General Atlantic Singapore KFT Pte. Ltd. (formerly known as General Atlantic Singapore SPV 40 Pte. Ltd.) pursuant to a deed of adherence dated July 16, 2021.

“**SSA**” means the share subscription agreement dated September 19, 2021 entered into between the Investor and the Company.

“**Subscription Price**” means INR 185.35 (Indian Rupees one hundred eight-five and thirty-five paise), being the per share price of the Equity Shares paid by the Investor under the SSA (as appropriately adjusted for any Corporate Event(s) from time to time).

“**Subsidiary**” has the meaning ascribed to the term in the Act and includes with respect to any Person, any other Person of which a majority of the outstanding shares or other interests having the power to vote for directors or comparable managers are owned, directly or indirectly, by the first Person. For the avoidance of doubt, as of September 19, 2021 and the Effective Date, the following are, or shall be (as the case may be), the Subsidiaries of the Company: (i) KFin Technologies Bahrain W.L.L., (ii) KFin Technologies Malaysia Sendirian Berhad; and (iii) KFin Services Private Limited.

“**Tax**” or “**Taxes**” shall mean any tax, levy, impost, duty, tariff or other charges of any kind imposed by any Governmental Authority or taxing authority, taxes or other charges on or with respect to income, windfall or other profits, profits or dividend distributions, gross receipts, property, sales, services, use, payroll, employment, social security, workers’ compensation, unemployment compensation, minimum alternate taxes, taxes including or other charges in the nature of excise, withholding, ad valorem, stamp, transfer, value added, or gains taxes; license, registration and documentation fees; and customs’ duties, tariffs, and similar charges including any cess or penalty or interest, late fee etc. payable in connection with any failure to pay or any delay in paying any of the same, as may be applicable to the relevant Party.

“**Third Party**” means a Person other than GA, Investor and the Company or any of their respective Affiliates.

“**Third Party Price**” means price per Equity Security that is not less than the ROFO Price if any, *provided that*, if the ROFO Notice is issued prior to the 1<sup>st</sup> (first) anniversary of the Effective Date, Third Party Price means a price that is higher of: (i) the ROFO Price (if any); and (ii) the Subscription Price as reduced by the dividend(s) per Equity Share (if any) declared by the Company after the Effective Date.

“**Transaction Documents**” means: (i) the SHA; (ii) the Share Subscription Agreement dated September 19, 2021 entered by and between the Investor and the Company; and (iii) any other agreement, instrument, document or deed entered into, or to be entered into, or delivered in connection with the transactions contemplated under any of the foregoing and which is designated as a ‘Transaction Document’ by the relevant Parties.

“**Transfer**” means, in relation to an Asset or the Equity Securities, either directly or indirectly to sell, gift, give, assign, transfer, transfer any interest in trust, mortgage, alienate, hypothecate, pledge, Encumber, grant a security interest in, amalgamate, merge or suffer to exist (whether by operation of law or otherwise) any Encumbrance on, such Asset or Equity Securities or any right, title or interest therein or otherwise dispose of in any manner whatsoever voluntarily or involuntarily, and the term “**Transferred**” shall have a meaning correlative to the foregoing. The term “**Transfer**”, when used as a noun, shall have a correlative meaning.

“**Valuation Firm**” or “**Recognised Merchant Banker**” means an independent merchant banker registered with SEBI and ranked within the top 10 (ten) of the Bloomberg League Table for mergers and acquisitions for the immediately previous 3 (three) years to the relevant year of its appointment.

“**Whole-time Director**” shall have the meaning ascribed to such term in Article 4.2.2.

### 3. **Interpretation:**

- 3.1 In addition to the above terms, certain terms may be defined in elsewhere in these Articles and wherever, such terms are used in these Articles, they shall have the meaning so assigned to them.

- 3.2 All references to any Person include the successors, heirs, executors, administrators and permitted assigns of such person.
- 3.3 All references in these Articles to statutory provisions shall be construed as meaning and including references to:
- (A) any statutory modification, consolidation or re-enactment made after the Effective Date and for the time being in force;
  - (B) all statutory instruments or orders or notifications or circulars made pursuant to a statutory provision; and
  - (C) any statutory provisions of which these statutory provisions are a consolidation, re-enactment or modification.
- 3.4 A reference to an agreement or document is to the agreement or document as amended, supplemented, novated or replaced except to the extent prohibited by these Articles or that other agreement or document.
- 3.5 Words denoting the singular shall include the plural and words denoting any gender shall include all genders.
- 3.6 Headings, subheadings, titles, subtitles to clauses, sub-clauses, sections and paragraphs are for information only and shall not form part of the operative provisions of these Articles or the annexures or schedules hereto and shall be ignored in construing the same.
- 3.7 References to recitals, clauses, sections, annexures or schedules are, unless the context otherwise requires, references to recitals, clauses, annexures and schedules to these Articles. Recitals, annexures and schedules hereto shall constitute an integral part of these Articles.
- 3.8 Reference to days, months and years are to calendar days, calendar months and calendar years, respectively.
- 3.9 Time is of the essence in the performance of the parties' respective obligations. If any time period specified herein is extended, such extended time shall also be of the essence.
- 3.10 Unless otherwise specified, time period within or following which payment is to be made or an act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends.
- 3.11 The term “**directly or indirectly**” means directly or indirectly through one or more intermediary persons or through contractual or other legal arrangements, and “**direct or indirect**” shall have correlative meanings.
- 3.12 Any reference to a Shareholder shall be deemed to include a reference to its Permitted Transferees. Each Shareholder and its Permitted Transferee, shall exercise their rights jointly and always vote as a single uniform block, and no Permitted Transferee of a Shareholder shall be entitled to any separate or additional rights or benefits.
- 3.13 Any reference to “**writing**” shall include printing, typing, lithography and other means of reproducing words in visible form, including any communication via electronic mail, but shall exclude text messages *via* mobile phones, Skype messages or electronic instant messaging of any sort.
- 3.14 The words “**include**” and “**including**” are to be construed without limitation.
- 3.15 Terms defined in these Articles shall include their correlative terms.
- 3.16 Where any obligation is imposed on or in relation to any Group Company other than the Company under any Transaction Document, it shall be deemed that the Company has a corresponding obligation to cause such other Group Company to comply with its respective obligations, and the Company shall

exercise all its powers (including voting power) and take all necessary steps (including vote in a manner which ensures that such Group Company is compliant with its obligations) and do or cause to be done all acts, deeds and things as required to ensure such compliance.

- 3.17 Any reference to the number of Equity Securities, percentage of Equity Securities, price per Equity Security or ownership threshold in these Articles shall be deemed to take into account appropriate adjustments for any Corporate Event. Any reference to price per Equity Security shall be deemed to take into account any dividend(s) declared by the Company with respect to such Equity Securities at any time subsequent to the Effective Date but prior to the relevant date of determination.
- 3.18 A reference to an “Affiliate” of a Shareholder in these Articles shall exclude any Competitor, unless specified otherwise.
- 3.19 The terms “**hereunder**”, “**hereof**”, “**herein**”, “**hereby**”, “**hereto**” and derivative or similar words refer to these entire Articles, unless specified otherwise.

## **CHAPTER II – BOARD OF DIRECTORS AND MANAGEMENT OF THE COMPANY**

### **4. Composition of the Board**

- 4.1 Subject to the provisions of the SHA, Applicable Law and the provisions of the Charter Documents, the Board shall have full power to direct the activities of the Company. All key operational matters will be presented to the Board for its consent, including but not limited to acquisitions, approval of the Annual Business Plan and Budget, investment in subsidiaries or joint ventures, equity and debt financing, capital expenditure outlay, Encumbrances on the Assets of the Company, or securities of any Person held by the Company, dividend policy and commencement or settlement of any material Litigation.
- 4.2 Subject to Clause 16.4 (*Fall Away of Special Rights*) of the SHA, on and from the Effective Date, the Board shall comprise up to 9 (nine) Directors appointed pursuant to the provisions of this Article 4.2 in the manner set out below:
- 4.2.1 Each of: (A) the Investor; and (B) GA, shall have the right to nominate up to:
- (a) 1 (one) Director, in the event the shareholding of such Identified Shareholder (along with its respective Permitted Transferees) meets the Minimum Ownership Threshold 1 but is less than 26% (twenty six percent) of the Share Capital;
  - (b) 2 (two) Directors, in the event such Identified Shareholder (along with its respective Permitted Transferees) holds at least 26% (twenty six percent) but less than 50% (fifty percent) of the Share Capital; and
  - (c) 3 (three) Directors, in the event such Identified Shareholder (along with its respective Permitted Transferees) holds at least 50% (fifty percent) of the Share Capital.
- (the Directors nominated by GA being the “**GA Directors**” and the Directors nominated by the Investor being the “**Investor Directors**”. A GA Director shall mean any one of the GA Directors and an “**Investor Director**” shall mean any one of the Investor Directors);
- 4.2.2 1 (one) whole-time Director / managing Director, such whole-time Director / managing Director shall be appointed by the Board from time to time (“**Whole-time Director**”);
- 4.2.3 1 (one) non-executive Director, that may be appointed by the Board from time to time; and
- 4.2.4 such number of independent directors, who qualify as independent directors under the Act, shall be appointed by the Board as the Company may require in accordance with Applicable Law and as determined by the Board.
- 4.3 None of the Directors shall be required to own qualification Equity Securities in order to serve as a Director on the Board.
- 4.4 Any vacancy occurring with respect to the position of a Nominee Director, by reason of death,

disqualification, resignation, removal, the inability to act or otherwise, shall be filled only by another nominee specified by the concerned Identified Shareholder.

5. **Non-Executive Directors**

No Nominee Director shall be liable to any of the Parties for any action taken in the course of his / her duties and responsibilities as a Director, unless such action was in breach of the provisions of the SHA, the Charter Documents or Applicable Law. Unless otherwise specified in writing by the relevant Identified Shareholder that has nominated a Nominee Director, such Nominee Director shall be a non-executive Director on the Board and shall not be involved in the day-to-day management or conduct of the Company or any other Group Company. Accordingly, no Nominee Director (other than the Nominee Director who is appointed as an executive Director with the express consent of the nominating Identified Shareholder, if any) shall be named in any correspondence, applications, Consents, compliance reports or otherwise as the person in charge of or responsible for the operations of the Company or any other Group Company (including without limitation as “compliance officer”, “officer who is in default” or “occupier” or “employer”) or compliance by the Company or any other Group Company of any Applicable Laws, Consents or as a “compliance officer”, an “occupier” or an “officer who is in default”. The Company and each other Group Company shall assert such position in any notice, reply, Litigation or other proceedings in which any liability is sought to be attached to GA, the Investor or any of their respective Nominee Directors (other than the Nominee Director who is appointed as an executive Director with the express consent of the nominating Identified Shareholder).

6. **Chairperson of the Board**

6.1 Unless otherwise agreed between the Parties:

6.1.1 during such time that GA is the Largest Shareholder, the chairperson of any Board Meeting or the meeting of any Committee (“**Chairperson**”) shall be such Director as is determined by GA at its sole discretion; and

6.1.2 during such time that GA ceases to be Largest Shareholder, the Chairperson shall be a Director as may be mutually agreed between GA and the Investor, failing which the Chairperson shall be appointed by a majority of the Directors on the Board.

7. **Committees of the Board**

7.1 The Board may constitute such committees and sub-committees as it may deem fit and proper to assist with the management of specific aspects of the business of the Company from time to time (collectively, “**Committees**”). The Board shall determine the functions, powers (including delegation of the powers of the Board to such Committee), authorities, responsibilities and composition of the Committees in compliance with Applicable Law. *Provided that*, each of: (i) GA; and (ii) the Investor, for so long as their respective shareholding (together with their respective Permitted Transferee(s)) meets the Minimum Ownership Threshold 1, shall be entitled to nominate 1 (one) Director on each of the Audit Committee and the IPO Committee.

7.2 The Board shall constitute:

7.2.1 an audit committee (“**Audit Committee**”) which shall comprise a majority of independent directors. The Audit Committee shall have an operational risk sub-committee. The Audit Committee shall have the powers and responsibilities vested to it under the Act and other Applicable Laws. An independent director shall be the Chairperson of the Audit Committee and the operational risk sub-committee;

7.2.2 a nomination and remuneration committee (“**NR Committee**”). The NR Committee shall have the powers and responsibilities vested to it under the Act and other Applicable Laws. An independent director shall be the Chairperson of the NR Committee;

7.2.3 a corporate social responsibility committee;

7.2.4 an information technology strategy committee which shall comprise the Whole-time Director and such other Directors as the Board may determine; and



- 7.2.5 a business development and strategy committee for considering and evaluating, matters related to business development and strategy, including without limitation, any potential acquisition, joint venture or divestment opportunities.
- 7.3 If the Board constitutes any Committees other than those set out in Article 7.2 above, the composition of such Committee shall be as determined by the Board and in compliance with Applicable Laws, other than as provided in Article 7.1 in relation to the Audit Committee and the IPO Committee.
- 8. Composition of the Board of Directors of Subsidiaries**
- 8.1 The Board shall determine the composition of the board of directors of all Subsidiaries in accordance with Applicable Law, provided that, each of: (i) GA; and (ii) the Investor (so long as such Identified Shareholder (together with its Permitted Transferee(s)) meets the Minimum Ownership Threshold 1), shall be entitled to nominate 1 (one) director on the board of directors of each Material Subsidiary.
- 8.2 Minutes of board meetings of all Subsidiaries shall be placed at the immediately subsequent Board Meeting.
- 9. Removal / Resignation of Directors**
- The Investor and GA may require the removal of their respective Nominee Directors at any time, with or without cause, and shall be entitled to nominate another person as a Director in place of the Director so removed, and each Shareholder of the Company shall exercise its voting rights in such manner so as to cause the removal of the existing Nominee Director and appointment of another Nominee Director as soon as practicable. In the event of the resignation, retirement or vacation of office by a Director nominated by GA or the Investor (as the case may be), the relevant Identified Shareholder shall be entitled to nominate another individual as a Director in place of such Director and the Shareholders of the Company shall exercise their rights in such manner so as to cause the appointment of the new nominee as aforesaid. Such individual nominated by GA or the Investor (as the case may be) shall be appointed by the Board as a Director within 15 (fifteen) days from the date on which he or she is nominated by GA or the Investor (as the case may be), and in case no Board Meeting is scheduled to be held during such period, then such individual shall be immediately appointed as a Director by a resolution of the Board passed by circulation. Notwithstanding anything to the contrary contained herein, a Nominee Director may only be removed by his or her appointing Shareholder and no Nominee Director shall be removed except in accordance with this Article 9.
- 10. Alternate and Additional Directors**
- 10.1 To the extent permissible under Applicable Law, the Board shall appoint an alternate director (“**Alternate Director**”) who is recommended for such appointment by a Director (“**Original Director**”) to act for him during his absence. Subject to Applicable Law, each of GA and the Investor agrees to cause its respective Nominee Directors to vote for the appointment of such Alternate Director promptly after any such recommendation is made. An Alternate Director appointed under this Article 10.1 shall not hold office for a period longer than that permissible for the Original Director in whose place he has been appointed. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director, shall hold office only until the Original Director would have held office, and generally to perform all functions of the Original Director in the absence of such Original Director.
- 10.2 The Board shall have the power to appoint Directors nominated by the Shareholders as ‘additional Directors’ (as such term is used under the Act), to hold office until the time period permitted under the Act. Each Shareholder of the Company shall cause the Company to convene a Shareholders’ Meeting at a shorter notice to confirm the appointment of such ‘additional Directors’ as Directors. Each Shareholder of the Company shall vote in favour of such appointment at such Shareholders’ Meeting.
- 11. Meetings of the Board**
- 11.1 The Board Meetings shall be held at Hyderabad or at such other place as may be mutually in writing agreed between the Directors. Board Meetings shall take place in accordance with, and at such times as prescribed under the Act. Additional Board Meetings may be called by the Chairperson of the Board,

any other Director or the company secretary of the Company.

- 11.2 Unless a shorter period of notice in respect of any particular Board Meeting is agreed in writing by all the Directors (including through email), any Board Meeting shall be convened only upon giving a prior written notice of not less than 7 (seven) days to all the Directors. Each notice of a Board Meeting shall contain an agenda specifying, in reasonable detail, the matters to be discussed at the relevant meeting and shall be accompanied by all necessary information and documents pertaining to each of the agenda items.
- 11.3 The quorum for Board Meeting shall be determined in accordance with the Act, *provided that*, the presence of at least 1 (one) Nominee Director nominated by such Identified Shareholder who along with its Permitted Transferee(s) holds at least 26% (twenty six percent) of the Share Capital, subject to such Identified Shareholder having at least 1 (one) Nominee Director on the Board, shall be necessary to constitute a valid quorum for any Board Meeting. Notwithstanding anything to the contrary in these Articles, any such Identified Shareholder may, at its sole discretion, provide a written waiver of the requirement of the presence of its Nominee Director, to constitute a quorum at any Board Meeting.
- 11.4 If within half an hour of the time appointed for a Board Meeting, the quorum as set out above in Article 11.3 is not present, such Board Meeting shall be adjourned to the same day, 1 (one) week later at the same time and place or such other place and time as is mutually agreed in writing by all Directors. The notice of the adjourned Board Meeting shall be provided to all Directors, which shall, *inter alia*, set out the date, time and place of the adjourned meeting. If at the adjourned meeting the quorum is not present, then, subject to Applicable Law and the agenda for such adjourned meeting being the same as the agenda for the original Board Meeting, the Directors present at the adjourned meeting shall constitute the quorum and may pass all resolutions in relation to the agenda items for such meeting, other than resolutions in relation to any Affirmative Consent Matter.
- 11.5 The Chairperson shall instruct the company secretary to prepare draft minutes of each Board meeting and circulate them to each Director within the time periods specified by the Act. The Directors may make any comments on the draft minutes of the meeting within 7 (seven) days of receipt of the minutes and such comments shall be incorporated into the minutes of the meeting to the extent that they accurately reflect the discussions and decisions taken at such meeting. The minutes shall be signed and recorded as per Applicable Law.
- 11.6 The Company shall pay each Director all out of pocket expenses incurred including travel, boarding and lodging in order to attend Board Meetings and committee meetings of the Board. The Company shall not pay sitting fees to any Director.
- 11.7 The provisions of this Article 11 (*Meetings of the Board*) shall apply *mutatis mutandis* to all meetings of Committees and board of directors of each Material Subsidiary, and all references to the Board in such case shall be read as being references to the respective Committee or the board of directors of each Material Subsidiary, as the case may be.

## 12. **Decisions at Board Meetings**

- 12.1 Subject to the provisions of Chapter IV (*Affirmative Consent Matters*), a decision or resolution shall be said to have been made or passed at a Board Meeting only if made or passed at a validly constituted meeting, and such decisions or resolutions are approved by a majority of the Directors, which unless otherwise mandated by Applicable Law, shall mean approval by a majority of the Directors present and voting at such Board Meeting.
- 12.2 Subject to the provisions of Chapter IV (*Affirmative Consent Matters*), at any Board Meeting (including any adjourned Board Meeting), each Director shall be entitled to 1 (one) vote. Notwithstanding anything to the contrary contained in these Articles, neither the Chairperson of the Board nor any other member of the Board shall have a second or casting vote.
- 12.3 The Board may invite employees, professionals, consultants and advisors to attend Board Meetings as observers, who shall not be entitled to vote at such Board Meetings.

## 13. **Resolution by Circulation**

Subject to Applicable Law, any matter to be decided by the Board or a Committee may be decided by way of a circular resolution, and such resolution shall be valid and effective as a resolution duly passed at a Board Meeting or a committee thereof, as the case may be, held in accordance with the Charter Documents. No resolution shall be deemed to have been duly passed by the Board by circulation or written consent, unless the resolution has been circulated in draft form, together with the agenda, and an explanatory statement, setting out in reasonable details the rationale for proposing the resolution, information and appropriate documents required to reach a decision, to all Directors at the address / email notified to the Company (whether in India or outside India) at least 3 (three) days in advance (unless such notice is reduced or waived in writing unanimously by all Directors), and has been approved in writing by majority Directors. *Provided that*, where the agenda for such circular resolution includes any the Affirmative Consent Matters, any such resolution shall be subject to the provisions of Chapter IV (*Affirmative Consent Matters*).

14. **Telephonic / Video Participation**

If permitted by Applicable Law, Directors may participate in Board Meetings or Committee meetings by telephone or video conferencing or any other means of contemporaneous communication, provided each Person taking part in the Board Meeting is able to hear such other Person taking part throughout the duration of the Board Meeting and provided further that each Director must acknowledge their presence for the purpose of the Board Meeting and any Director not doing so shall not be entitled to speak or vote at such Board Meeting. Such participation shall be counted for the purposes of constituting quorum for such meetings.

15. **Code of Conduct for Directors**

A code of conduct for the Directors in the form set out in Schedule 4 (*Code of Conduct for Directors*) to the SHA shall be adopted by the Board at its first meeting after the Effective Date.

16. **Directors' Access**

Each Director shall be entitled to examine the books, accounts, and records of the Company and the Subsidiaries and shall have free access, at all reasonable times, to any and all properties and facilities of the Company and the Subsidiaries. The Company and the Subsidiaries shall provide, within a reasonable time, such information relating to the Business, affairs and financial position of the Company and the Subsidiaries as any Director may reasonably require. The Nominee Directors and their alternates shall be entitled to report all matters concerning the Company, including but not limited to, matters discussed at any Board Meeting and Committees thereof to the respective Identified Shareholder that has nominated such Nominee Director(s), subject to Applicable Law.

17. **Management of the Company, Annual Business Plan and Budget**

17.1 The Business of the Group Companies shall be conducted in accordance with the Annual Business Plan and Budget. The Board shall, from time to time, appoint senior management personnel who shall operate under the overall supervision and control of the Board. The Board shall decide on the terms and conditions of appointment of such senior management personnel including their roles and responsibilities in the Company.

17.2 The Whole-time Director shall prepare the annual business plan and annual budget of the Group Companies for each Financial Year (collectively, the “**Annual Business Plan and Budget**”) and present the same for review and approval by the Board at least 30 (thirty) days prior to the end of the previous Financial Year. The Board shall review and approve the Annual Business Plan and Budget in accordance with these Articles and shall meet at least on a quarterly basis to review the progress of the Group Companies in accordance with the Annual Business Plan and Budget.

18. **Auditors**

18.1 The statutory auditor of the Company shall be any of the Auditing Firms. The Board shall, in consultation with the Audit Committee, also appoint an auditor of good repute for conducting the internal audit of the Company from time to time in compliance with Applicable Laws. The Company shall table before the Board the reports of the internal auditors of the Company on a regular basis and shall work towards the suggestions and improvements as identified in the said reports as acceptable to

the Board.

- 18.2 In the event GA or the Investor requires any financial / audit information from the statutory auditors or internal auditors of any Group Company, the Company shall facilitate the same.

19. **Insurance and Director Indemnification**

- 19.1 The Company shall obtain and maintain a director's and officer's liability insurance from an insurance company of repute in respect of the Directors and officers of the Group Companies for an amount of at least INR 100,00,00,000 (Indian Rupees One Hundred Crores) per occurrence or event, in respect of all Losses, claims or liabilities resulting from the actions or omissions of any of the Directors or offices as directors or officers of any Group Company, which shall be renewed annually to ensure its validity during the term of the SHA.

- 19.2 Each Group Company shall keep all its Assets insured with a reputable insurance company, against risks (including fire, earthquake, damage, injury) as are generally insured against by responsible companies in the same industry and such other risks as may be reasonably required by the relevant Group Company.

- 19.3 The Company shall, to the full extent permitted by Applicable Laws, indemnify the Directors (including any former directors of any Group Company) against all Losses, incurred or suffered by any of them by reason of being or having been a Director of any Group Company.

20. **Communication**

For the purposes of this Chapter II (*Board of Directors and Management of the Company*), the requirement of a written notice / notice in writing shall be deemed to have been satisfied if the said notice is sent *via* email to the recipient in accordance with the Act.

21. **Observer**

- 21.1 Without prejudice to, and in addition to, the right of the Investor to nominate an Investor Nominee Director(s) pursuant to Article 4.2, each of: (i) GA, and (ii) the Investor, for so long as each such Identified Shareholder (together with its Permitted Transferee(s)) holds more than 5% (five percent) of the Share Capital, shall be entitled to nominate an observer to the Board (each such nominee being an "**Observer**").

- 21.2 The Observers nominated in accordance with Article 21.1 shall be entitled to: (i) participate in all meetings of the Board, except that such Observer shall not have the right to vote; and (ii) receive all notices and communications / resolutions to which a Director would be entitled, in respect of the Board, and at the same time that such notices and communications / resolutions are first made available to the Directors.

22. **Conflicted Directors**

Notwithstanding anything contained in these Articles:

- 22.1 if in a Board Meeting and/or any Committee / sub-Committee, any matter (other than an Affirmative Consent Matter) (such matter, the "**Conflict Matter**") in which an Identified Shareholder, its Affiliate (which includes a Competitor) or any Director nominated by such Identified Shareholder may be conflicted, is proposed to be discussed and/or voted upon, then the relevant Directors nominated by the relevant conflicted Identified Shareholder or its Permitted Transferee, shall not be entitled to participate or vote on such Conflict Matter, whether in a meeting of the Board / committee / sub-committee thereof, and a decision on such Conflict Matter shall be taken by the remaining Directors. The determination of whether any Director has a conflict of interest with respect to a decision or resolution shall be taken by the majority of Directors present and voting (excluding the Director who has or may have the conflict); and

- 22.2 the presence of the conflicted Director (either in a meeting of the Board / Committee / sub-committee thereof) for a Conflict Matter shall not be required for constituting a valid quorum for such meeting of the Board / Committee / sub-Committee.

### CHAPTER III – SHAREHOLDERS’ MEETINGS

#### 23. Place and Frequency

The Company shall hold at least 1 (one) general meeting of its Shareholders as an “**Annual General Meeting**” in each calendar year. The Annual General Meeting shall be held in each calendar year within 6 (six) months following the end of the previous Financial Year unless any other time period is provided under the Applicable Law. The Board shall provide the audited Financial Statements of the Company’s previous Financial Year to the Shareholders at least 30 (thirty) Business Days prior to the Annual General Meeting proposed to be convened to approve and adopt such audited Financial Statements. All other Shareholders’ Meetings other than the Annual General Meeting shall be called an ‘extraordinary general meeting’.

#### 24. Quorum

24.1 The quorum at the time of commencement of any Shareholders’ Meeting and passing of any resolution at the Shareholders’ Meeting shall be determined in accordance with the Act *provided that*, the presence of at least 1 (one) representative of each Identified Shareholder whose shareholding (along with its Permitted Transferee(s) shareholding) meets the Minimum Ownership Threshold 2 shall be necessary to constitute valid quorum for any Shareholders’ Meeting. Notwithstanding anything to the contrary in these Articles, but subject to Applicable Law, such Identified Shareholder may, at its sole discretion, waive in writing, the requirement of the presence of at least 1 (one) of its representatives at any Shareholders’ Meeting to constitute the quorum for such Shareholders’ Meeting.

24.2 If within half an hour of the time appointed for the Shareholders’ Meeting, the quorum is not present, the Shareholders’ Meeting shall be adjourned to the same day in the next week at the same time and place or such other place and time as the Identified Shareholders may determine in writing. The notice of the adjourned Shareholders’ Meeting shall be provided to all Shareholders of the Company, which shall, *inter alia*, set out the date, time and place of the adjourned meeting. If at the adjourned Shareholders’ Meeting the quorum is not present, then, subject to Applicable Law and the agenda for such adjourned Shareholders’ Meeting being the same as the agenda for the original Shareholders’ Meeting, the Shareholders present at such adjourned Shareholders’ Meeting shall constitute the quorum for such adjourned Shareholders’ Meeting and may pass all resolutions in relation to the agenda items for such Shareholders’ Meeting other than in relation to any Affirmative Consent Matters.

#### 25. Chairperson

The Chairperson of the Board shall be the Chairperson of the Shareholders’ Meetings. The Chairperson shall not have a casting or second vote at any Shareholders’ Meeting.

#### 26. Voting

26.1 Subject to the provisions of Chapter IV (*Affirmative Consent Matters*), each resolution of the Shareholders of the Company shall be passed in accordance with the Act and shall be decided by the affirmative vote of a simple majority or special majority as required under the Act. Voting shall take place by way of a poll. Each Equity Share is entitled to 1 (one) vote.

26.2 At any Shareholders’ Meeting, or at any adjourned meeting thereof, the members of the CP Group that are Shareholders shall cause, in person or by proxy or through authorised representative, as the case may be, to vote in respect of all or any of the Equity Securities owned by the CP Group in the Company in the manner as may be directed by GA in its sole and absolute discretion, in accordance with Article 26.3 or Article 26.4, as the case may be. It is hereby clarified that, a proxy may be deposited by any of the Shareholders at any time up to the commencement of a Shareholders’ Meeting.

26.3 Whenever a notice convening a Shareholders’ Meeting is issued to the Shareholders, GA shall at least 3 (three) days before the date of the proposed Shareholders’ Meeting, notify CP in writing (which for the avoidance of doubt, shall include communication by email) on the manner in which GA desires the CP Group to vote. Once GA has provided such notice to CP, the CP Group shall, vote only in accordance with the aforementioned notice issued by GA to CP.

26.4 The CP Group shall not consent to a notice shorter than the notice contemplated under these Articles for a Shareholders' Meeting unless GA has notified CP, by a notice (which for the avoidance of doubt, shall include communication by email), its willingness to hold the meeting at a shorter notice along with the manner in which the CP Group should vote in such meeting. Once GA has provided such notice to CP, the CP Group shall vote only in the manner informed by GA in such notice.

27. **Notice**

27.1 Subject to Article 27.2, the Board of the Company shall, by way of a simple majority, have the power to convene a Shareholders' Meeting at a shorter notice than as prescribed under the Act. It is clarified that Section 101 of the Act is hereby excluded in its entirety.

27.2 A Shareholders' Meeting shall be called in accordance with the Act and may be called by the Board by giving notice in writing to the company secretary of the Company specifying the date, time and agenda for such meeting and the company secretary shall promptly notify, in writing, the same to all Shareholders of the Company prior to the proposed date of the Shareholders' Meeting in accordance with the Act. This notice shall be accompanied by a detailed agenda, necessary background and all other related information and/or supporting documents pertaining to the business proposed to be transacted at the Shareholders' Meeting.

27.3 Notice shall be served to the Shareholders at their respective addresses in India notified by each of them to the Company at any time prior to the relevant notice (and in the case of a Shareholder of the Company resident outside India, also by registered air mail to such address outside India as such Shareholder may notify to the Company at any time prior to the relevant notice), or by electronic mail to such email address in accordance with Article 27.4, as may be notified by that Shareholder to the Company. It is clarified that the provisions of this Article 27 (*Notice*) shall apply *mutatis mutandis* to any adjourned Shareholders' Meetings. Any Affirmative Consent Matters not on the agenda circulated in advance to the Identified Shareholders shall not be raised at any Shareholders' Meeting.

27.4 For the purposes of this Article 27 (*Notice*), the requirement of a written notice / notice in writing shall be deemed to have been satisfied if the said notice is sent *via* email to the recipient in accordance with the Act.

28. **Telephonic / Video Participation**

If permitted by Applicable Law, Shareholders may participate in Shareholders' Meetings by telephone or video conferencing or any other means of contemporaneous communication, provided each Person taking part in the Shareholders' Meeting is able to hear each other Person taking part throughout the duration of the Shareholders' Meeting and provided further that each Person must acknowledge their presence for the purpose of the Shareholders' Meeting and any Person not doing so shall not be entitled to speak or vote at such Shareholders' Meeting. Such participation shall be counted for the purposes of constituting the quorum for such meetings.

29. **Proxy**

The Shareholders shall be entitled to participate (including vote) in the Shareholders' Meetings through their respective authorized representative(s) or their constituted proxies.

***CHAPTER IV – AFFIRMATIVE CONSENT MATTERS***

30. Notwithstanding anything to the contrary in these Articles, no decision on any Affirmative Consent Matter shall be taken or implemented, and no action in connection with any Affirmative Consent Matter shall be taken by or on behalf of the Company, whether at Shareholders' Meetings, Board Meetings, any meeting of a committee of the Board, by way of circular resolution or otherwise, unless it has been approved by the prior written consent of:

30.1 GA (or a GA Director) for so long as the shareholding of GA (together with its Permitted Transferees) meets the Minimum Ownership Threshold 1; and

- 30.2 the Investor (or an Investor Director) for so long as the shareholding of the Investor (together with its Permitted Transferees) meets the Minimum Ownership Threshold 1.
31. It is clarified that any consent provided by GA, the Investor or any of their respective Nominee Directors (as the case may be) in relation to any Affirmative Consent Matter in accordance with Article 30, shall apply only in relation to the particular Affirmative Consent Matter and only in the context specified in the relevant notice and shall not constitute, or be deemed to constitute in any manner, a general consent for any other Affirmative Consent Matter, or a consent for the same Affirmative Consent Matter in any other context.
32. Where one or more of the items on the agenda of any Board Meeting, Committee meeting or Shareholders' Meeting or the subject matter of a circular resolution is an Affirmative Consent Matter, the notice for such meeting or such circular resolution shall clearly indicate that the item is an Affirmative Consent Matter. If GA or the Investor conveys its dissent on an Affirmative Consent Matter prior to a Board Meeting (including an adjournment thereof), Committee meeting, a Shareholders' Meeting (including an adjournment thereof) or a circular resolution at which such Affirmative Consent Matter is to be considered, such Affirmative Consent Matter shall not be put to vote or decided upon in such meeting (including for the avoidance of doubt, any adjourned meeting) or circular resolution.
33. Parties further agree that for the purposes of Affirmative Consent Matter, a series of related transactions shall be construed as a single transaction, and any amount in related transactions shall be aggregated.
34. The Parties agree, that to the extent an Affirmative Consent Matter applies to a Subsidiary or a Material Subsidiary, as the case may be, no action and/or decision shall be taken or implemented by the relevant Subsidiary or Material Subsidiary without such Affirmative Consent Matter being first decided by the Board of the Company in accordance with this Chapter IV (*Affirmative Consent Matters*). The Company shall procure that no Subsidiary or Material Subsidiary shall take any action in connection with any such Affirmative Consent Matter which would constitute a breach of Chapter IV (*Affirmative Consent Matters*) and shall be liable to the Shareholders for any such breach by the Subsidiary or Material Subsidiary.

#### ***CHAPTER V – FINANCIAL MATTERS, INFORMATION AND INSPECTION RIGHTS***

35. **Accounting and Financial Records**

The Company shall, and shall ensure that the Group Companies, at all times maintain accurate and complete accounting and other financial records in accordance with the requirements of Applicable Law and Ind AS.

36. **Certain Key Information**

The Company shall provide to GA, the Investor and the Nominee Directors:

- 36.1 a written notification setting out sufficient details of any material claims or Litigations filed or threatened by or against the Company or any other Group Company or any circumstances which may give rise to the same (including any claims, investigations or Litigation relating to service deficiency, insolvency, winding up, or any claims, investigations or Litigations by any Governmental Authority against the Company and/or any other Group Company), within 5 (five) Business Days from the date on which either the Company or any Group Company becomes aware of the same;
- 36.2 copies of any reports filed, or notices received or any correspondence by the Company or any other Group Company with any Governmental Authority, other than in the ordinary course of business, within a period of 5 (five) Business Days from the date of filing or receipt of such report, notice or correspondence;
- 36.3 as soon as practicable and on a current basis, information and details relating to any events, discussions, notices or changes with respect to any Tax, criminal or regulatory investigation or action, Litigation, arbitration or other proceeding (including the Company's reasonable estimate of potential liability thereunder) commenced or threatened in writing against or involving the Company or any other Group

Company, and shall reasonably cooperate with the Parties in an effort to avoid or mitigate any cost or regulatory consequences to them that might arise from any such matter;

- 36.4 a written notification of any event likely to have a material impact on the Business carried on by the Company or any other Group Company, within 7 (seven) Business Days from the date on which either the Company becomes aware of the same;
- 36.5 explanation of any event or development at the Company or any other Group Company which has or could have a significant impact on the business, operations, profits, conditions (financial or otherwise), prospects, results of operations, properties, assets or liabilities of Company or any other Group Company promptly after either the Company or any other Group Company becomes aware of such event or development; and
- 36.6 any other information as may be reasonably requested by any of them.

37. **Inspection Rights**

The Company shall, and shall cause other Group Companies and its and their Representatives, during working hours, to give full access to GA, the Investor and their respective authorised Representatives (including Nominee Directors, lawyers, accountants, auditors and other professional advisors), to visit and inspect all books and records (and make copies thereof), properties and Assets, and to discuss and consult the business, actions, plans, budgets and finances with the Representatives and/or statutory auditors of the Company and other Group Companies.

38. **Information Reports**

The Company shall provide to GA and the Investor, periodic management reports more particularly set out in **Schedule C** (*Information Reports*), in accordance with the periods and timelines for providing such reports prescribed therein.

39. **Rights under Applicable Laws**

The rights set out in Article 36 (*Certain Key Information*), Article 37 (*Inspection Rights*), and Article 38 (*Information Reports*) are in addition to, and without prejudice to the rights that any Identified Shareholder or any Nominee Director may have under Applicable Laws with respect to the books and records, properties and Assets of any Group Company (including to inspect its properties or discuss and consult the business, actions, plans, budgets, accounts and finances with the Representatives and/or statutory auditors of any Group Company).

- 40. Each Party and its respective authorised Representatives shall be allowed access at all reasonable times to examine the books and records of the Company and make copies thereof.

41. **Confidentiality**

Notwithstanding anything to the contrary set out herein:

- 41.1 the Investor shall keep strictly confidential and not share, any and all information relating to the Group Companies, and its respective business operations, whether obtained pursuant to the terms of the SHA, these Articles or otherwise, with any Affiliate (which includes a Competitor) of the Investor which engages, whether directly or indirectly, in the business of asset management; and
- 41.2 the Company shall not, and shall not be under any obligation to, provide any information pertaining to the client-level pricing of mutual fund services segment of the Company to an Investor or an Investor Director in the event the Investor has an Affiliate (which includes a Competitor) which is a client or could be a potential client of the Company in the mutual fund services industry.

**CHAPTER VI – FURTHER OBLIGATIONS**

42. **Further Assurances**

- 42.1 Each Party shall, subject to Applicable Law, perform (or procure the performance of) all further acts



and things and execute and deliver (or procure the execution and delivery of) such further documents, as may be required by Applicable Law or as any of the other Parties may reasonably require, in each case to implement and give effect to the SHA. The Company shall, subject to Applicable Law, procure that each of the Group Companies shall perform all further acts and things and execute and deliver such further documents, as may be required by Applicable Law or as any of the other Parties may reasonably require, in each case to implement and give effect to the SHA and these Articles. If, for any reason whatsoever, any term contained in the SHA cannot be performed or fulfilled, the Parties shall meet and explore alternative solutions depending upon the new circumstances but keeping in view the spirit and core objectives of the SHA.

42.2 The Parties shall be under no obligation to take any action, or otherwise act in any manner that: (i) is not in compliance with Applicable Laws, (ii) is *ultra vires* the SHA, and/or the Charter Documents, and/or (iii) in any way restricts or adversely affects or could be reasonably expected to restrict or adversely affect, the ability of any of the Parties to perform their obligations under other Transaction Documents.

43. **Agreement to Vote**

The shareholders of the Company shall use or exercise, or refrain from using or exercising, the votes attached to the Equity Securities held by them to ensure and procure that the terms of the SHA are fully complied with and generally to do all things reasonably within their power which are necessary or desirable to give effect to the spirit and intent of the SHA. The Identified Shareholders shall also, subject to Applicable Law, cause their respective Nominee Directors, appointees and proxies (including on the Board, at any Shareholders' Meetings and at the committees) to exercise, or refrain from using or exercising their voting rights, and perform any action within their power and control so as to ensure full compliance with the terms of the SHA.

44. **Articles of Association**

The Shareholders of the Company shall exercise their rights to cause the Company to amend the Articles to incorporate the provisions of the SHA on the Effective Date. To the extent that the Articles are in conflict with or are inconsistent with the terms and conditions of the SHA, the provisions of the SHA shall prevail. The Shareholders of the Company shall take such steps as may be reasonably necessary (including exercising all voting and other rights and powers vested in or available to it under the SHA, these Articles or Applicable Law to procure the convening of all meetings and the passing of all resolutions) to alter the Articles as soon as is practicable to eliminate any such conflict or inconsistency.

45. **Related Party Transactions**

All Related Party Transactions shall be entered into or be conducted on arm's length basis and in accordance with Applicable Law.

46. **Credit Support by a Shareholder and Further Funding**

Notwithstanding anything to the contrary contained in these Articles, neither GA nor the Investor nor any of their respective Affiliates shall be obligated to participate for the benefit of the Company in any guarantee, bond or financing arrangement with any bank or financial institution, whether as a guarantor or in any other capacity whatsoever. Notwithstanding anything to the contrary contained in these Articles, neither GA nor the Investor nor any of their respective Affiliates shall be obligated to provide any capital to the Company by way of subscription for further Equity Shares, or by way of loans or subscription for loan stock or any other form of Shareholder debt.

47. **Subsidiaries**

47.1 If any obligation is to be entered into, any decision is to be made or any action is to be taken, in relation to any Subsidiary, and such obligation, decision, or action requires the approval of the Company, then the Company shall vote in accordance with the instructions of its Board.

47.2 The Company shall ensure that each of its Subsidiaries acts in a manner consistent with these Articles and the SHA (to the extent applicable).

## **CHAPTER VII – EQUITY FUNDING OF THE COMPANY**

48. Subject to the Annual Business Plan and Budget, Chapter IV (*Affirmative Consent Matters*) and this Chapter VII (*Equity Funding of the Company*), any further financing requirement of the Company will be discussed and evaluated by the Board, taking into account the business needs of the Company and per compliance requirements under Applicable Law.
49. In the event, it is determined by the Board that funding is to be raised by way of equity funding (other than pursuant to an IPO undertaken in accordance with these Articles) by undertaking 1 (one) or more rights issues to its existing shareholders or preferential issue of Equity Securities (“**New Equity Securities**”) to an existing shareholder(s) (or its Affiliate) or any Third Party at that time (“**Proposed Issuance**”), then the New Equity Securities shall be first offered to GA and the Investor (and each of their respective Permitted Transferees) on the terms and conditions as may be determined by the Board and in accordance with the provisions of this Chapter VII (*Equity Funding of the Company*), and such Identified Shareholders (either by itself or through their respective Affiliate(s)) shall be entitled (but not obligated) to (“**Pre-emptive Right**”), subscribe to such New Equity Securities on the basis of its Relevant Proportion (“**Pre-emptive Pro Rata Portion**”).
50. The price per Equity Security at which the Company shall issue Equity Securities in a rights issue (which for the avoidance of doubt shall not include an Incremental Equity Funding) undertaken by the Company shall not be less than the fair market value of the Equity Security as at the date of the proposed issuance as determined in accordance with Article 76 (*Valuation*) or at such other price as may be determined by the Board, subject to rights of the Shareholders in relation to any Affirmative Consent Matters. All Shareholders participating in a Proposed Issuance shall pay the same price per Equity Security.
51. Once the Proposed Issuance is approved by the Board, the Company shall deliver to each Shareholder referred to in Article 49, written notice (the “**Funding Notice**”) of the Proposed Issuance setting forth the number, the percentage of the Company’s Share Capital that such issuance would represent, the type, price, and other terms of the Equity Securities proposed to be issued, the proposed allotment date, and the number of Equity Securities available for subscription by such Shareholder on the basis of its Pre-emptive Pro Rata Portion. Such Funding Notice shall be delivered to such Shareholders within 5 (five) days following the Board Meeting at which the Proposed Issuance is approved and shall provide at least 30 (thirty) days to each such Shareholder to exercise its right to subscribe to its respective Pre-emptive Pro Rata Portion of the Proposed Issuance.
52. Subject to the Company’s compliance with the notice provisions of Article 51 , if any Shareholder (“**Non Subscribing Shareholder**”) does not pay its Pre-emptive Pro Rata Portion of any capital contribution required to be made pursuant to this Chapter VII (*Equity Funding of the Company*) within 30 (thirty) calendar days from the date of delivery of the Funding Notice to the Shareholders (or such other extended period as may be agreed by the Parties in writing):
- 52.1 then in case of a rights issue, the other Shareholder referred to in Article 49 that has exercised its right to subscribe to its Pre-emptive Pro Rata Portion of the New Equity Securities in full (“**Exercising Shareholder**”) shall have the right to subscribe (either by itself or through an Affiliate (such Affiliate not being a Competitor) nominated / designated by it) to all or part of the Pre-emptive Pro Rata Portion of such Non Subscribing Shareholder, at the same price and terms as originally offered by the Company to the Shareholders; and
- 52.2 in case of a Proposed Issuance not being a rights issue, then the Third Party (in case of a Proposed Issuance to a Third Party) or the other Shareholder (in case of a Proposed Issuance to an existing Shareholder of the Company), shall have the right to subscribe to all or part of unsubscribed portion of the Pre-emptive Pro Rata Portion of such Non Subscribing Shareholder.
53. In relation to the Proposed Issuance, upon payment by the Exercising Shareholders (or their Affiliates, as the case may be in accordance with Article 52) of their Pre-emptive Pro Rata Portion pursuant to Article 52.1 or by the Third Party or the Other Shareholder in relation to the unsubscribed portion of the Pre-emptive Pro Rata Portion of a Non Subscribing Shareholder pursuant to Article 52.2, within the timeline specified in Article 52 above, the Company shall allot the respective New Equity Securities free and clear of any Encumbrances to the Exercising Shareholder (or its Affiliate), or the Third Party

or the other Shareholder (as the case may be) on the date of closing of the Proposed Issuance as stated in the Funding Notice, and deliver to such Person, the certificates evidencing the New Equity Securities. Pursuant to such allotment, the holding of the Exercising Shareholders (together with its Affiliates and nominees / designees), or the Third Party / the other Shareholder as referred to in Article 52.2, in the Share Capital shall increase appropriately, and the percentage holding of the Non Subscribing Shareholder (together with its Affiliates and nominees / designees) in the Share Capital shall stand decreased appropriately. In the event the Company has not allotted the New Equity Securities within the timeline specified in the foregoing provisions of this Article 53 above, the Company shall not thereafter issue any New Equity Securities without first again offering such Equity Securities to GA and the Investor (and each of their respective Permitted Transferees) in accordance with the procedures set forth in Chapter VII (*Equity Funding of the Company*).

54. Each of GA and the Investor shall be entitled to subscribe for the Equity Securities they are entitled to under this Chapter VII (*Equity Funding of the Company*) by itself or through an Affiliate nominated / designated by it, *provided that*, GA or the Investor (as the case may be) shall exercise all the rights under these Articles on behalf of their respective Affiliate(s) and such Affiliates shall agree to be bound by the terms and conditions of the SHA and these Articles by executing a deed of adherence in the form set out in **Schedule 3** to the SHA.
55. The foregoing provisions of this Chapter VII (*Equity Funding of the Company*) shall not be applicable to any issuance of Equity Securities pursuant to: (i) proportionate issuance of Equity Securities issued in connection with any Corporate Event approved in accordance with these Articles, (ii) Equity Securities issued pursuant to any IPO approved in accordance with these Articles, (iii) issuance of stock options or shares issued upon exercise of employee stock options approved in accordance with the terms of the SHA and these Articles, and (iv) Equity Securities issued pursuant to any mergers, acquisitions, restructuring, amalgamations and related actions approved in accordance with these Articles.

#### **CHAPTER VIII – TRANSFER RESTRICTIONS**

56. Any Transfer or attempted Transfer of any securities issued by the Company (including the Equity Securities) not specifically permitted by these Articles shall be *void ab-initio*. The Company shall not recognize a Transfer that is in contravention of the provisions of these Articles, and the purported transferee shall not be treated as the owner / holder of the relevant securities for the purposes of these Articles and the SHA.
57. Encumbrances
- 57.1 No member of the CP Group shall create any Encumbrance over the Equity Securities held by such Shareholder except for Encumbrances created by virtue of these Articles.
- 57.2 An Identified Shareholder shall be permitted to create any Encumbrance on any Equity Securities held by it, subject to the satisfaction of each of the following conditions:
- 57.2.1 any Encumbrance which may result in Transfer of any Equity Securities held by the Identified Shareholder shall only be made in favour of a bank and/or a financial institution and in accordance with the Applicable Laws;
- 57.2.2 no rights are assigned to the Person in whose favour such Encumbrance is created;
- 57.2.3 any Transfer of the Equity Securities pursuant to the invocation of such Encumbrance shall be subject to Articles 56 to 62, Articles 63.2 and 63.3, Article 64.2 and/or Article 64.3, as applicable; and
- 57.2.4 at the time of creation of such Encumbrance, the Person in whose favour such pledge is being created acknowledges in writing to the Company and the Identified Shareholders, the conditions set out in Article 57.2.3.
58. **Transfer to a Competitor by an Identified Shareholder**

58.1 Notwithstanding anything contained in these Articles:

58.1.1 the Investor (and/or its Permitted Transferees) shall not, during a period of 2 (two) years from the Effective Date, Transfer, any of its Equity Securities to a Competitor, and any Transfer by the Investor (and/or its Permitted Transferees) to a Competitor at any time after expiry of 2 (two) years from the Effective Date shall be subject to the applicable provisions of these Articles including without limitation Article 58.2, Article 64.2.13, Article 64.3 and Clause 25.2 of the SHA; and

58.1.2 GA (and/or its Permitted Transferees) shall not, during a period of 2 (two) years from the Effective Date, Transfer, any of its Equity Securities to a Competitor and any Transfer by GA (and/or its Permitted Transferees) to a Competitor at any time after expiry of 2 (two) years from the Effective Date shall be subject to the applicable provisions of these Articles including without limitation Article 64.2.

58.2 The Investor shall keep GA apprised of any inquiry, proposal or offer from any Competitor that it or its Affiliates may receive concerning any Transfer of any Equity Securities held by it (or its Permitted Transferees) to a Competitor, or any discussion in relation to the foregoing, including the identity of the Competitor making such inquiry, proposal or offer. The obligation of the Investor under this Article 58.2 shall fall away upon the consummation of an IPO.

**59. Transfer to a Competitor by a CP Group member**

Notwithstanding anything to the contrary contained in these Articles, CP shall procure that no member of the CP Group shall, at any time, Transfer any of their Equity Securities or any other securities issued by the Company to a Competitor. CP shall procure that the CP Group adheres to the restrictions set forth in this Article 59.

**60. Permitted Transfers**

**60.1 Permitted Transfers in case of CP Group**

Notwithstanding anything to the contrary contained in these Articles, each Shareholder, that is a member of the CP Group, shall be entitled to sell or Transfer all or any part of its Equity Securities to its Permitted Transferees subject to the following conditions:

60.1.1 The Permitted Transferee of any member of the CP Group shall execute an SPA Deed of Adherence prior to such sale or Transfer and a copy of such SPA Deed of Adherence shall be furnished to the Company and the transferring Shareholder on the next Business Day following the execution of such SPA Deed of Adherence. Notwithstanding such a Transfer of Equity Securities by CP, CP shall continue to exercise all rights in relation to the Equity Securities Transferred by him under a duly executed power of attorney granted to him by the transferee Shareholder;

60.1.2 the transferring Shareholder, shall cause such Permitted Transferee to comply fully with the terms of these Articles and shall be fully responsible for any acts or omissions of such Affiliates that may be made in connection with these Articles, as if they were acts or omissions of its own; and

60.1.3 the Permitted Transferee shall, and the transferring Shareholder shall cause the Permitted Transferee to, re-Transfer the Equity Securities to the transferring Shareholder prior to the Permitted Transferee: (i) ceasing to be a Permitted Transferee of the transferring Shareholder, or (ii) becoming insolvent or bankrupt or entering into or resolving to enter into winding up proceedings, or an arrangement, composition or compromise with or assignment for the benefit of its creditors, in such a case, subject to any restrictions under Applicable Laws.

**60.2 Permitted Transfers in case of an Identified Shareholder:**

In case of an Identified Shareholder:

- 60.2.1 Subject to the provisions of Article 58 (*Transfer to a Competitor by an Identified Shareholder*), the Investor and GA shall be free to sell all or any of the Equity Securities held by them to their respective Affiliates at any time, upon the relevant Permitted Transferee executing a SHA Deed of Adherence simultaneous with such Transfer.
- 60.2.2 The transferring Identified Shareholder shall cause the Permitted Transferee to comply fully with the terms of these Articles and shall be fully responsible for any acts or omissions of such Affiliates (which includes a Competitor) that may be made in connection with these Articles, as if they were acts or omissions of its own.
- 60.2.3 The Permitted Transferee shall, and the transferring Identified Shareholder shall cause the Permitted Transferee to, re-Transfer the Equity Securities to the transferring Identified Shareholder prior to the Permitted Transferee: (i) ceasing to be an Affiliate of the transferring Identified Shareholder, or (ii) becoming subject to any Insolvency Event.
- 60.2.4 Any Transfer of Equity Securities by GA or the Investor to a Competitor shall be subject to the provisions of Article 58 (*Transfer to a Competitor by an Identified Shareholder*).
- 60.2.5 Notwithstanding anything contained in these Articles, each of GA and the Investor shall be entitled to, at all times, Transfer any or all the Equity Securities held by it (together with the rights available to it) to any Person (other than a Competitor) at any time without any restrictions whatsoever, subject to Articles 56 to 62, Articles 63.2 and 63.3, Article 64.2, Article 64.3 and the applicable provisions of Clause 25 of the SHA.

## 61. Cooperation For Transfer

The Company shall provide all reasonable assistance and cooperation in connection with the consummation of any Transfer of the Equity Securities by an Identified Shareholder that is not restricted under this Agreement, at the cost of the seller, including appointing advisors, providing the prospective buyer or investor copies of all books, records and other documentation relating to the Company and/or its Subsidiaries, the Business, and access to key employees and management of the Company and/or its Subsidiaries as may be reasonably requested by the prospective buyer or investor; in connection with a due diligence of the Company to be undertaken by it or its Representatives in connection with the investment in, or acquisition of the Equity Securities of, the Company.

- 62. Notwithstanding anything contained in these Articles, any Transfer of the Equity Securities by an Identified Shareholder pursuant to Chapter IX (*Initial Public Offering*) or Chapter X (*Company Sale*) shall not be subject to Articles 63.2 and 63.3, Article 64.2 or Article 64.3.

## 63. Right of First Offer

### 63.1 Right of First Offer in case of CP Group Member being a Transferring Shareholder

- 63.1.1 In the event any member of the CP Group (“**CP Transferring Shareholder**”) proposes to sell all or some of their Equity Securities in the Company, the CP Transferring Shareholder, shall first deliver a written notice (“**CP Transfer Notice**”) to GA (“**CP ROFO Transferee**”), which notice shall state the number of Equity Securities proposed to be transferred by the CP Transferring Shareholder (the “**CP ROFO Securities**”).
- 63.1.2 Within a period of 10 (ten) Business Days from the receipt of the CP Transfer Notice (the “**CP Offer Period**”), the CP ROFO Transferee shall have the right, exercisable by the delivery of an offer notice (“**CP Offer Notice**”) to the CP Transferring Shareholder, to offer to purchase all (but not less than all) of the CP ROFO Securities at such price as the CP ROFO Transferee may deem fit (“**CP Offer Price**”) subject to the satisfaction (at the sole discretion of the CP ROFO Transferee) of the Identified Conditions Precedent by the CP ROFO Transferee.

- 63.1.3 If the CP Offer Price is acceptable to the CP Transferring Shareholder, then the CP Transferring Shareholder shall communicate its acceptance of such CP Offer Price within a period of 10 (ten) Business Days after receipt of the CP Offer Notice by issuing a notice in writing to the CP ROFO Transferee (“**CP ROFO Acceptance Notice**”). Within no later than 30 (thirty) days from the CP ROFO Acceptance Notice, the CP Transferring Shareholder shall confirm in writing to the CP ROFO Transferee the satisfaction of the Identified Conditions Precedent along with a copy of the relevant supporting documents. The CP ROFO Transferee shall, at its sole discretion, in writing, either accept the fulfilment of such Identified Conditions Precedent or require the CP Transferring Shareholder to ensure fulfilment of the relevant Identified Conditions Precedent to its satisfaction within 7 (seven) Business Days.
- 63.1.4 Issuance by the CP Transferring Shareholder of the CP ROFO Acceptance Notice shall be deemed to constitute a binding agreement between the CP Transferring Shareholder and the CP ROFO Transferee for the CP Transferring Shareholder to sell to the CP ROFO Transferee the CP ROFO Securities at the CP Offer Price, within a period of 30 (thirty) days from the date of receipt of the CP ROFO Acceptance Notice by the CP ROFO Transferee, subject to the satisfaction of the Identified Conditions Precedent in accordance with Article 63.1.
- 63.1.5 (a) If the CP Transferring Shareholder does not issue a CP ROFO Acceptance Notice to the CP ROFO Transferee in response of the CP Offer Notice, then, the CP Transferring Shareholder shall be entitled to sell the CP ROFO Securities to any third party at a price which is at least 10% (ten percent) more than the CP Offer Price. (b) If a CP Offer Notice is not issued within the CP Offer Period, the CP Transferring Shareholder shall be entitled to sell the CP ROFO Securities to any third party at any price.
- 63.1.6 *Provided however* that if such sale of the CP ROFO Securities to a third party is not completed within a period of 60 (sixty) days from the date of expiry of the CP Offer Period, then the CP Transferring Shareholder shall no longer be entitled to sell the CP ROFO Securities to a third party and the process set out in this Article 63.1 shall again become applicable to the sale or transfer of any Equity Securities by the CP Transferring Shareholder.

**63.2 Right of First Offer in case of an Identified Shareholder being a Transferring Shareholder**

- 63.2.1 Subject to Article 58 (*Transfer to a Competitor by an Identified Shareholder*), in the event GA (or any of its Permitted Transferees) proposes to sell all or some of its Equity Securities in the Company in any manner other than to its Affiliate (as specifically contemplated in Article 60.2.1), then the Investor shall have the Right of First Offer with respect to such Equity Securities.
- 63.2.2 Subject to Article 58 (*Transfer to a Competitor by an Identified Shareholder*), in the event the Investor proposes to sell all or some of its Equity Securities in the Company in any manner other than to their Affiliate, as specifically contemplated in Article 60.2.1, then GA shall have the Right of First Offer with respect to such Equity Securities.
- 63.2.3 For the purposes of this Article 63.2 (*Right of First Offer*), the term “**Transferring Identified Shareholder**” shall refer to GA or its Affiliate in case of Article 63.2.1 and to the Investor or its Affiliates in case of Article 63.2.2. The total number of Equity Securities proposed to be sold by the Transferring Identified Shareholder shall be referred to as the “**Offer Equity Securities**”. The right of first offer accorded to the Investor and GA under Articles 63.2.1 and 63.2.2 shall be hereinafter referred to as their respective “**Right of First Offer**”, and the Identified Shareholder holding a Right of First Offer shall be referred to as the “**ROFO Holder**”. Notwithstanding anything to the contrary contained in these Articles, if the ROFO Holder is unable to exercise or consummate the Right of First Offer without obtaining any approval or consent from a Governmental Authority or on account of operation of Applicable Law, such ROFO

Holder shall be entitled, at its discretion, to designate any of its Affiliates which does not require obtaining any approval or consent from a Governmental Authority for exercise of the Right of First Offer under this Article 63.2.

### 63.3 **ROFO Process applicable to Article 63.2**

The Right of First Offer shall be exercisable in the manner set out below:

- 63.3.1 The Transferring Identified Shareholder shall issue a written notice (“ROFO Notice”) to the Company and the ROFO Holder prior to offering the Offer Equity Securities to any Third Party, stating therein: (a) the Transferring Identified Shareholder’s intention to sell the Offer Equity Securities, (b) the class, type, number and percentage (on a Fully Diluted Basis) of the Offer Equity Securities, and (c) the number of Equity Securities held by the Transferring Identified Shareholder in the Company as on the date of such ROFO Notice.
- 63.3.2 Within a period of 30 (thirty) days from the receipt of the ROFO Notice (“ROFO Period”), the ROFO Holder shall be entitled to respond to the ROFO Notice in writing (along with a copy to the Company) (“ROFO Offer Notice”), stating therein: (i) its offer to purchase all, but not less than all, of the Offer Equity Securities; (ii) the price offered per Equity Securities for such Offer Equity Securities (such price per Equity Security, the “ROFO Price”); and (iii) in reasonable detail, all other material terms and conditions of the ROFO Holder’s offer to purchase the Offer Equity Securities (together, with ROFO Price, the “**ROFO Terms**”). Subject to the remaining provisions of this Article 63.3 (*ROFO Process*), upon giving a ROFO Offer Notice, the ROFO Holder delivering such ROFO Offer Notice will be bound to (and, as applicable, shall cause its Affiliates to) purchase such Offer Equity Securities on the terms and conditions set forth in the ROFO Offer Notice in the event such offer is accepted by the Transferring Identified Shareholder in accordance with Article 63.2.3.
- 63.3.3 If the ROFO Holder declines to purchase all of the Offer Equity Securities by written notice to the Transferring Identified Shareholder (the “**ROFO Rejection Notice**”), or fails to provide a ROFO Offer Notice prior to the expiry of the ROFO Period, then, the ROFO Holder shall be deemed to have refused to exercise its Right of First Offer under this Article 63.2. If the ROFO Holder provides a ROFO Offer Notice prior to the expiry of the ROFO Period and if the Transferring Identified Shareholder agrees to Transfer the Offer Equity Securities to the ROFO Holder, the Transferring Identified Shareholder shall intimate the ROFO Holder of the same in writing, within 10 (ten) days of receipt of the ROFO Offer Notice from the ROFO Holder (“**ROFO Acceptance Notice**”) and such acceptance by the Transferring Identified Shareholder shall be deemed to constitute a binding agreement between the Transferring Identified Shareholder and the ROFO Holder for the Transferring Identified Shareholder to sell to the ROFO Holder all of the Offer Equity Securities at the ROFO Price and on the ROFO Terms, within a period of 45 (forty five) days from the date of the ROFO Acceptance Notice *provided that*, such period shall stand extended for a reasonable time to the extent reasonably necessary to procure Governmental Approvals, in which case closing must occur within 5 (five) Business Days following the receipt of the last applicable Governmental Approval, if any, unless the Transferring Identified Shareholder and the ROFO Holder agree in writing (acting reasonably and in good faith) to extend such period. At the closing of any such sale: (i) the Transferring Identified Shareholder shall, against receipt of the purchase price therefor from such ROFO Holder by wire transfer of immediately available funds, deliver to the ROFO Holder, (a) if the Offer Equity Securities are in physical form, duly stamped share certificates, properly endorsed for Transfer, representing the Offer Equity Securities and duly stamped share transfer deeds validly executed in the name of the ROFO Holder; or (b) if the Offer Equity Securities are in dematerialised form, issue irrevocable instructions to its depository participant to transfer the Offer Equity Securities to an account(s) designated by the ROFO Holder, and (ii) the Transferring Identified Shareholder and the ROFO Holder shall execute such other documents required pursuant to the ROFO Terms. All stamp duty costs in relation to the Transfer of the Offer Equity Securities shall be borne by the ROFO Holder.

63.3.4 If:

- (i) the ROFO Holder: (a) fails to exercise its option under this Article 63.2 in the manner described above, or (b) provides the Transferring Identified Shareholder with a ROFO Rejection Notice, or
- (ii) the Transferring Identified Shareholder does not accept the offer to Transfer the Offer Equity Securities at the applicable ROFO Price and on the ROFO Terms, then subject to the terms of this Article 63.2,

at any time within 120 (one hundred and twenty) days from the date of receipt of: (x) the ROFO Rejection Notice, (y) the ROFO Offer Notice, or (z) the expiration of the ROFO Period, whichever is earlier, subject to Article 64.2 (*Investor Tag Along Right*), the Transferring Identified Shareholder may enter into a definitive binding agreement to Transfer all, but not less than all, of the Offer Equity Securities, with all the rights available to them under these Articles, to any Third Party, subject to Article 58 (“**ROFO Purchaser**”) (such Transfer, the “Third Party ROFO Sale”), *provided that*:

- (a) the sale shall be for all (but not some) of the Offer Equity Securities;
- (b) the sale price per Offer Equity Security shall not be less than the Third Party Price and the sale shall be on terms no more favourable to the Third Party than those offered by the ROFO Holder in the ROFO Offer Notice (if any) and if issued by the ROFO Holder during the ROFO Period (“**Third Party Terms**”);
- (c) immediately upon and as a condition of the effectiveness of such Transfer, the ROFO Purchaser and the Transferring Identified Shareholder shall enter into a SHA Deed of Adherence, and agree to together exercise all rights available to the Transferring Shareholder under these Articles as a single block of Shareholders (and not separately), unless the Transferring Identified Shareholder is transferring all the Equity Securities held by such Transferring Shareholder; and
- (d) the Third Party ROFO Sale shall be consummated within 75 (seventy five) days of entry into such definitive binding agreement, unless such consummation of the Third Party ROFO Sale is subject to any Governmental Approvals or Third Party approvals, in which case the closing will be extended until 5 (five) days following the receipt of the last applicable Governmental Approval or Third Party approval, if any, *provided that* such extension shall not exceed 180 (one hundred and eighty) days, if any.
- (e) During such time that a Transferring Identified Shareholder is in the process of Transferring, or proposing to Transfer any Offer Equity Securities, in each case pursuant to a Third Party ROFO Sale, the Transferring Identified Shareholder shall: (1) cause its respective nominee directors on the Board to attend any meetings of the Board during such period in the ordinary course of business (absent unusual circumstances such as illness, personal or business emergencies and the like), and (2) promptly consider and respond to any Affirmative Consent Matter which is brought to such Transferring Identified Shareholder’s attention in writing by the Company (if applicable).

63.3.5 In the event that the Transferring Identified Shareholder is transferring the Equity Securities held by such Transferring Identified Shareholder in the Company, the Company hereby covenants and undertakes to provide all reasonable assistance to the ROFO Purchaser and/or the Transferring Identified Shareholder subject to execution of appropriate confidentiality agreements, including by providing the ROFO Purchaser copies of all books, records and other documentation relating to the Company and/or its Subsidiaries, the Business, and access to key employees and management of the Company and/or its Subsidiaries as may be reasonably requested by the ROFO Purchaser and/or the Transferring Identified Shareholder; in connection with a due



diligence of the Company to be undertaken by the ROFO Purchaser in connection with the acquisition of the Equity Securities of the Company.

- 63.3.6 In the event that the Transferring Identified Shareholder does not transfer to the ROFO Purchaser within such period as specified under Article 63.3.4 and subsequently desires to Transfer all or part of the Equity Securities then owned by it, the process under this Article 63.2 shall be repeated.

## 64. **Tag Along Right**

### 64.1 **Tag Along Right of the CP Group**

- 64.1.1 In the event of any transaction involving: (a) an issuance of Equity Securities of the Company, or (b) sale of the Equity Securities of the Company by GA, or (c) a combination of (a) and (b), to a third party purchaser (not including a Permitted Transferee of GA) ("**CP Third Party Purchaser**") pursuant to which GA (along with its Permitted Transferees) would cease to hold the largest percentage of the Share Capital, as compared to any other Shareholder (taken together with its respective Permitted Transferee(s)), then each member of the CP Group shall have the right but not the obligation to sell their Equity Securities in accordance with this Article 64.1 ("**CP Tag Along Right**").
- 64.1.2 Upon identifying the Third Party Purchaser, GA shall communicate the same to the CP Group by way of a written notice ("**CP Sale Notice**"): (a) setting out the following details in relation to the CP Third Party Purchaser's offer: (i) price per Equity Security; (ii) number of Equity Securities proposed to be issued, sold or Transferred ("**CP Offered Securities**"); (iii) identity and material particulars regarding the CP Third Party Purchaser; and (d) material terms and conditions for the proposed issuance/ sale; and (b) representing that the CP Third Party Purchaser has been informed of the CP Tag Along Right provided for in these Articles and has agreed to purchase all the Equity Securities required to be purchased in accordance with the terms of this Article 64.1, and also representing that no consideration, tangible or intangible, is being provided, directly or indirectly, to the Company, GA or their respective Affiliates that will not be reflected in the price set out in the CP Sale Notice. Within 7 (seven) days from the receipt of the CP Sale Notice ("**CP Tag Along Period**"), CP may exercise the CP Tag Along Right on behalf of the CP Group and offer to sell to the CP Third Party Purchaser all (but not less than all) of the Equity Securities held by the CP Group (the "**CP Tag Along Securities**").
- 64.1.3 The CP Tag Along Right may be exercised by CP on behalf of the CP Group by delivery of a written notice to GA specifying the number of CP Tag Along Securities it proposes to sell to the CP Third Party Purchaser ("**CP Tag Acceptance Notice**").
- 64.1.4 The issuance by the Company/ sale by GA of the CP Offered Securities to the CP Third Party Purchaser shall be conditional upon the CP Third Party Purchaser acquiring all the CP Tag Along Securities in exercise of the CP Tag Along Rights at the same price per Equity Security and on terms no less favourable than those offered by the CP Third Party Purchaser to the Company/ GA (as applicable). The CP Group (whether or not the CP Tag Along Right has been exercised) shall not be required to provide any representations, warranties or indemnities to the CP Third Party Purchaser or incur any obligation towards the CP Third Party Purchaser, other than the warranties set out in Schedule 16 to the SPA and indemnities in relation to breach of such warranties with a monetary cap that is not less than the total consideration that is payable to the CP Group with respect to such sale. Notwithstanding anything to the contrary, the exercise of the CP Tag Along Right by the CP Group shall be subject to the satisfaction or waiver (at the sole discretion of the CP Third Party Purchaser) of the Identified Conditions Precedent by the CP Group within 60 (sixty) days from the date of the CP Sale Notice. In the event, the CP Group fails to satisfy or obtain a waiver of any of the Identified Conditions Precedent within 60 (sixty) days from the date of the CP Sale Notice, then notwithstanding anything contained in these Articles, but subject to as set

out in Article 64.1.5 below, the CP Tag Along Right of the CP Group with respect to GA shall fall away, and such Third Party Purchaser shall not be required to purchase the CP Tag Along Securities.

- 64.1.5 Subject to satisfaction of the Identified Conditions Precedent by the CP Group in accordance with Article 64.1.4, the issuance by the Company/ sale by GA of the CP Offered Securities and the sale of the CP Tag Along Securities by the CP Group pursuant to this Article 64.1 shall be completed within 90 (ninety) days of the delivery of the CP Sale Notice by GA to CP (excluding any additional time as may be required for the purpose of obtaining necessary approvals or consents from any Person (including any Governmental Authority) for the purpose of undertaking such sale), failing which the Company/ GA (as applicable) shall not issue, sell or transfer any Equity Securities to the CP Third Party Purchaser and the process set out in this Article 64.1 shall again become applicable to the issuance, sale or transfer of any Equity Securities by the Company/ GA, and in such case the CP Group shall be entitled to the CP Tag Along Right as set out in this Article 64.1 notwithstanding the last sentence of Article 64.1.4. In the event GA does not receive any CP Tag Acceptance Notice in response to the CP Sale Notice within the CP Tag Along Period, or if CP informs GA in writing that the CP Group elects not to exercise the CP Tag Along Right or if the Identified Conditions Precedent are not satisfied within 60 (sixty) days from the date of the CP Sale Notice, then the Company shall be entitled to issue and allot/ GA shall be entitled to sell the CP Offered Securities to the CP Third Party Purchaser within 90 (ninety) days of the expiry of the CP Tag Along Period (excluding any additional time as may be required for the purpose of obtaining necessary approvals or consents from any Person (including any Governmental Authority) for the purpose of undertaking such issuance or sale), on the same terms as set out in the CP Sale Notice, failing which the Company shall not issue/ GA shall not sell or transfer any Equity Securities to the CP Third Party Purchaser and the process set out in this Article 64.1 shall again become applicable to the issuance or transfer of any Equity Securities by the Company/ GA, and in such case the CP Group shall be entitled to the CP Tag Along Right as set out in this Article 64.1 notwithstanding the last sentence of Article 64.1.4. In the event the Company proposes to issue or GA proposes to sell or transfer any Equity Securities held by it to the CP Third Party Purchaser pursuant to which the CP Group would continue to hold any Equity Securities, then the CP Tag Along Right of the CP Group as provided under this Article 64.1 shall continue and GA shall ensure that the CP Third Party Purchaser acquiring Equity Securities from the Company/ GA shall execute an SPA Deed of Adherence prior to such issuance by the Company or sale or transfer by GA of Equity Securities and agree to be bound by the same obligations of GA in terms of this Article 64.1.
- 64.1.6 Notwithstanding anything to the contrary contained in these Articles, the of the CP Group under Article 64.1 shall be without prejudice to the: (i) Tag Along Right of the Investor as provided under Article 64.2; and (ii) Tag Along Right of GA as provided under Article 64.3.

## 64.2 Tag Along Right of the Investor

- 64.2.1 In respect of any Transfer (save and except in case of creation of any Encumbrance by GA in accordance with Article 57.2.1) of any of the Offer Equity Securities by GA (or any of its Permitted Transferees) (each being the “**Selling Shareholder**”) to the ROFO Purchaser in accordance with Article 63.3.4, each of the Investor and its Permitted Transferees (for the purpose of this Article 64.2, each being the “**Tag Holder**”) shall have the right (but not the obligation) (“**Tag Along Right**”) to Transfer up to all of their respective Tag Sale Securities at the Third Party Price and on the Third Party Terms, and on the terms and conditions set out in Article 64.2, to the ROFO Purchaser (“**Tag Along Sale**”).
- 64.2.2 For the purpose of this Article 64.2, “**Tag Sale Securities**” with respect to a Tag Holder shall mean:
- (a) up to all of the Equity Securities held by such Tag Holder, in the event the Selling Shareholder (together with its Affiliate) holds more than 50% (fifty percent) of the

Share Capital prior to the Third Party ROFO Sale and shall cease to hold at least 50% (fifty percent) of the Share Capital pursuant to the Third Party ROFO Sale (“**50% Cross-Over Transfer**”);

- (b) up to all of the Equity Securities held by such Tag Holder, in the event the Selling Shareholder (together with its Affiliate) holds more than 26% (twenty six percent) of the Share Capital prior to the Third Party ROFO Sale and shall cease to hold at least 26% (twenty six percent) of the Share Capital pursuant to the Third Party ROFO Sale (“**26% Cross-Over Transfer**”);
- (c) up to all of the Equity Securities held by such Tag Holder, in the event that the Selling Shareholder or any of its Permitted Transferee(s) proposes to Transfer any of its Equity Securities to a Competitor after the expiry of the 2 (two) year period specified in Article 58.1.2 (“**Competitor Transfer**”); or
- (d) in all cases other than as set out in Article 64.2.2(a), Article 64.2.2(b) and Article 64.2.2(c), such number of Equity Securities held by such Tag Holder as determined by the following formula:

$$X = [Y / Z] * A$$

Where: (i) ‘X’ represents the number of Tag Sale Securities that a Tag Holder is entitled to offer as part of the Tag Along Sale; (ii) ‘Y’ represents the number of Equity Shares held by the Tag Holders (determined on a Fully Diluted Basis); (iii) ‘Z’ represents the number of the Equity Shares held by the Selling Shareholder (determined on a Fully Diluted Basis), and (iv) ‘A’ represents the total number of Offer Equity Securities (determined on a Fully Diluted Basis).

64.2.3 No later than 30 (thirty) days prior to the date of the execution of the definitive binding agreement between the Selling Shareholder and the ROFO Purchaser, the Selling Shareholder shall deliver to the Tag Holder a written notice (the “**Tag Sale Notice**”) of the proposed Transfer to the ROFO Purchaser under Article 63.3.4. The Tag Sale Notice shall make reference to the Tag Holder’s rights hereunder and shall describe in reasonable detail:

- (a) the number of shares of the Offer Equity Securities to be sold by the Selling Shareholder;
- (b) the name of the ROFO Purchaser;
- (c) the price offered by the ROFO Purchaser per Equity Security for such Offer Equity Securities; and
- (d) in reasonable detail, all other material terms and conditions of the ROFO Purchaser’s offer to purchase the Offer Equity Securities, including the proposed date, time and closing of the such purchase.

64.2.4 Within 30 (thirty) days from the date of receipt of the Tag Sale Notice by the Tag Holder (“**Tag Notice Period**”), the Tag Holder shall have the right (but not an obligation) to participate in the proposed Third Party ROFO Sale with respect to all or part (at the discretion of the Tag Holder) of its Tag Sale Securities by issuing a notice in writing to the Selling Shareholder (“**Tag Along Notice**”), which shall:

- (a) state the number of Tag Sale Securities that the Tag Holder intends to Transfer to the ROFO Purchaser;
- (b) provide customary warranties on its title, authority and capacity to the ROFO Purchaser in relation to such Transfer confirming that the Tag Sale Securities are being Transferred free and clear of any Encumbrances, together with all rights, benefits and advantages attached to them and the Tag Holder has valid legal and beneficial ownership of, and good and clear title to such Tag Sale Securities, along

with requisite authority and capacity of the Tag Holder to undertake the Transfer of the Tag Sale Securities pursuant to the foregoing; and

- (c) state that the Tag Along Notice constitutes a binding offer by the Tag Holder to sell the Tag Sale Securities to the ROFO Purchaser.
- 64.2.5 The sale of the Tag Sale Securities, if any, to the ROFO Purchaser shall be simultaneous with the sale of the Offer Equity Securities by the Selling Shareholder to the ROFO Purchaser pursuant to Article 63.3.4.
- 64.2.6 The Company, Tag Holder, the Selling Shareholder and the ROFO Purchaser shall each undertake commercially reasonable efforts to obtain such consents and approvals as they may respectively require to complete the sale and purchase of the Offer Equity Securities and the Tag Sale Securities, respectively, in a timely manner such that the transactions are completed within the time period provided above in Article 64.2.5, *provided that*, notwithstanding anything contained in these Articles, if the Tag Holder is unable to sell the Tag Sale Securities on account of non-receipt or rejection of any necessary consents and approvals within the time period specified above in Article 64.2.5 that it is required to procure under Applicable Law to complete the sale and purchase of the Offer Equity Securities and the Tag Sale Securities, the Selling Shareholder shall be at liberty to sell the Offer Equity Securities to the ROFO Purchaser, *provided that*, such sale is completed within the timelines set out in Article 63.3.4 and on the terms set out in the Tag Sale Notice. For avoidance of doubt, it is clarified that the Tag Holder shall not be responsible for procuring any Consents and approvals, including under Applicable Law, that the Company, the Selling Shareholder or the ROFO Purchaser is required to procure to complete the sale and purchase of the Offer Equity Securities and the Tag Sale Securities, but shall provide reasonable support and cooperation as may be required from it for the purpose of obtaining any such Consent or approval, and shall be responsible for procuring any Consents and approvals as may be required by such Tag Holder for the completion of such sale and purchase of the Tag Sale Securities.
- 64.2.7 Save and except as set out in Article 64.2.6, the Selling Shareholder shall not sell any Offer Equity Securities to the ROFO Purchaser unless the ROFO Purchaser agrees to purchase all of the Tag Sale Securities from the Tag Holder at the Third Party Price and on the Third Party Terms, executes an SHA Deed of Adherence.
- 64.2.8 Notwithstanding the above, in the event the ROFO Purchaser is not willing to purchase all the Offer Equity Securities along with all the Tag Sale Securities, then the Tag Holder and the Selling Shareholder shall be entitled to sell to the ROFO Purchaser the Offer Equity Securities and the Tag Sale Securities in the Relevant Proportion based on inter-se holding in the Share Capital of the Company, *provided that*, the number of the Tag Sale Securities that may be Transferred shall not be reduced if the Transfer is pursuant to a transaction contemplated at Article 64.2.2(a), Article 64.2.2(b) or Article 64.2.2(c) and the Tag Holder has exercised the Tag Along Right in respect of all and not less than all the Tag Sale Securities.
- 64.2.9 In the event the Tag Holder does not issue a Tag Along Notice within the Tag Notice Period, then the Selling Shareholder shall be free to sell the Offer Equity Securities to the ROFO Purchaser within the timelines set out in Article 63.3.4 at a price and on terms set out in the Tag Sale Notice.
- 64.2.10 Each Shareholder shall, subject to Applicable Law, cooperate in good faith, exercise all their rights under Applicable Law and under these Articles, perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such documents, as may be required by Applicable Law to implement and give effect to the provisions of this Article 64.2.
- 64.2.11 The Tag Along Right set forth in this Article 64.2 is not exercisable “one time only” but rather shall apply in each case of any proposed Transfer by the Selling Shareholder of its Equity Securities.

64.2.12 For the avoidance of doubt, the Tag Holder shall not be required to give any representations, warranties, covenants, guarantees or indemnities to the ROFO Purchaser other than the warranties expressly contemplated under Article 64.2.4(b).

64.2.13 In the event the Investor elects not to exercise its Tag Along Right with respect to all the Equity Securities held by the Investor under Article 64.2 pursuant to a 50% Cross-Over Transfer, 26% Cross-Over Transfer or a Competitor Transfer, then:

(a) all rights accorded to the Investor under Chapter X (*Company Sale*) shall fall away; and

(b) the Investor (and/or its Permitted Transferees) shall no longer be permitted to Transfer, any of its/their Equity Securities to any Competitor.

### 64.3 **Tag Along Right of GA**

In respect of any Transfer of any of the Offer Equity Securities by the Investor (or any of its Permitted Transferees) (each being the “Transferor”) to a Competitor in accordance with Article 63.3.4 after the expiry of the 2 (two) year period specified in Article 58.1, GA and its Affiliates (“GA Tag Holder”) shall have a tag along right (but not the obligation) (“GA Tag Along Right”) to sell up to all of the Equity Securities held by GA and its Affiliate(s) (“GA Tag Sale Securities”) at the Third Party Price and on the Third Party Terms to the ROFO Purchaser, and on the same terms and conditions as apply in the case of the Investor’s tag along right under Article 64.2 and accordingly, the provisions of Article 64.2 (other than Articles 64.2.1, 64.2.2 and 64.2.3) shall apply mutatis mutandis, as if: (i) references to ‘Selling Shareholder’ were references to the ‘Transferor’; (ii) references to ‘Tag Holder’ were references to ‘GA Tag Holder’; and (iii) references to ‘Tag Sale Securities’ were references to ‘GA Tag Sale Securities’.

## 65. **Drag Along Right**

65.1 In the event that GA initiates a process involving: (a) an issuance of such number of Equity Securities of the Company, or (b) sale of such number of Equity Securities of the Company by GA, or (c) a combination of (a) and (b), to any third party such that following the same, GA (along with its Permitted Transferees) would cease to hold the largest percentage of the Share Capital, as compared to any other Shareholder (taken together with its respective Permitted Transferee(s)) (“**Drag Transfer Securities**”), and pursuant to such process a third party (not including a Permitted Transferee of GA) (“**Drag Transferee**”) is identified who is willing to acquire the Drag Transfer Securities, then GA may, at its sole option, by sending a written notice (“**Drag Along Notice**”) of at least 30 (thirty) days to the CP Group require all the members of the CP Group to sell to the Drag Transferee all the Equity Securities then held by them (“**Drag Securities**”), simultaneously with the acquisition of the Drag Transfer Securities by the Drag Transferee, for the same value of consideration per Equity Security at which the Drag Transfer Security will be issued and/ or Transferred to the Drag Transferee.

65.2 If GA exercises its right pursuant to the provisions of this Article 65, GA shall, by the Drag Along Notice, notify the CP Group in writing of: (a) the name of the Drag Transferee; and (b) the amount of the proposed consideration for the transfer of their respective Drag Securities (“**Drag Price**”).

65.3 Upon receipt of the Drag Along Notice, the CP Group shall be obligated to transfer the Drag Securities as set out in the Drag Along Notice for the Drag Price.

65.4 The completion of any purchase of the Drag Securities by the Drag Transferee from the CP Group shall take place simultaneously with the closing of the subscription and/ or purchase of the Drag Transfer Securities by the Drag Transferee, from the Company and/ or GA. Such Drag Securities to be sold pursuant to the Drag Along Notice shall be free and clear of any Encumbrance. Any Drag Transferee purchasing the said Equity Securities shall deliver at such

closing payment in full for such Equity Securities. At such closing, all of the parties to the transaction shall execute such additional documents as may be necessary to effect the sale of the Equity Securities to the Drag Transferee. The CP Group shall not be required to provide any representations, warranties or indemnities to the Drag Transferee or incur any obligation towards the Drag Transferee, other than the warranties set out in Schedule 16 to the SPA and indemnities in relation to breach of such warranties with a monetary cap that is not less than the total consideration that is payable to the CP Group with respect to such sale, and satisfaction by the CP Group or waiver by the Drag Transferee (such satisfaction or waiver being at the sole discretion of the Drag Transferee), of the Identified Condition Precedent at Clause 5.1.5 of the SPA.

**66. Indirect Transfers**

- 66.1 The provisions of these Articles pertaining to Transfer of any securities issued by the Company shall be observed in letter and spirit. The Shareholders (other than Investor and its Affiliates) or the Company shall not circumvent the provisions of these Articles through any indirect transfer or sale including, but not limited to, by way of any merger, liquidation, reorganization, reconstruction, arrangement or transfer of ownership, interests, shares, or Control in a Person held by any Shareholder (other than Investor and its Affiliates), which owns any securities in the Company.
- 66.2 Any Transfer of any indirect interest in the Company shall be consummated as a sale or transfer of the Equity Securities, and not by a sale of any shares or share equivalents of any holding company of the Shareholders (other than Investor and its Affiliates) or by way of any merger, liquidation, reorganization, reconstruction, arrangement or transfer of ownership, economic interests, shares, or Control in any holding company of the Shareholders so as to ensure that the other Shareholders (other than Investor and its Affiliates) are able to exercise their rights under these Articles.
- 66.3 The Transfer restrictions in the SHA and in the Charter Documents shall not be capable of being avoided by the holding of Equity Securities indirectly through a company or other entity, the shares of which company or entity can itself be transferred in order to Transfer an interest in the Equity Securities that would otherwise be prohibited by these Articles or the SHA.

**CHAPTER IX – INITIAL PUBLIC OFFERING**

67. The Company shall make commercially reasonable efforts to consummate an IPO of the Company on 1 (one) or more Recognised Stock Exchanges in accordance with the provisions of Chapter IV (*Initial Public Offering*) within 18 (eighteen) months from the Effective Date or such extended period as may be mutually agreed in writing between GA and the Investor (“**IPO Period**”). The Shareholders shall comply with the provisions of Article 43 (*Agreement to Vote*) to give effect to the provisions of this Chapter IX (*Initial Public Offering*).
68. In connection with an IPO, subject to compliance with Applicable Law:
- 68.1 The Company shall take all such steps to do all such reasonable acts, deeds, matters and things as may be required, and each Party shall extend, at the Company’s cost and expense, all cooperation to each other, the IPO Committee and the IPO Advisors and other Persons as may be reasonably required for the purpose of expeditiously making and completing any IPO. Without prejudice to the foregoing, the Company shall be responsible for: (i) preparing and signing the relevant offer documents; (ii) conducting road shows with adequate participation of senior management; (iii) entering into appropriate and necessary agreements; (iv) providing all necessary information and documents necessary to prepare the information memorandum and offer documents; (v) filings with appropriate Governmental Authorities; (vi) obtaining any necessary Consents from any Person in relation to such IPO; (vii) appointing 1 (one) or more reputable merchant bankers of high standing in India to manage the IPO; and (viii) exercising all voting rights (of the Identified Shareholders and their respective Nominee Directors (subject to Applicable Laws)) in favour of such IPO, subject to the rights of GA and the Investor in relation to the Affirmative Consent Matters. Additionally, the Company shall take all such steps, and extend all such cooperation to the IPO Advisors and other Persons as may be required for the

purpose of expeditiously making and completing the IPO, including obtaining all relevant Governmental Approvals that are necessary for the consummation of the IPO. The Company shall ensure that the IPO complies with all Applicable Law listing requirements of the Recognised Stock Exchanges.

- 68.2 The provisions of Clause 13.2.2 of the SHA is hereby incorporated in these Articles by reference.
- 68.3 The terms and the mode of IPO, including whether the IPO is conducted through the issuance of fresh Equity Securities or through the sale of existing Equity Securities or a combination of both shall be decided by the Board in consultation with the IPO Advisors.
- 68.4 In the event any IPO is conducted through the offering of existing Equity Shares or a combination of sale of existing Equity Shares and issuance of fresh Equity Shares, GA and the Investor (and their respective Affiliates) shall have an *inter se* proportionate right, but not an obligation, to sell, as a part of such offer for sale, up to all of its Equity Shares of the Company in proportion to their *inter-se* holding of the Share Capital. In order to meet the applicable minimum listing criteria for the purposes of the IPO, the Company shall ensure that the requisite number of Equity Shares are made available to the public by way of issuance of new Equity Shares.
- 68.5 The Company shall bear all fees, costs and expenses of any IPO including without limitation, all registration, filing, qualification and similar fees (other than underwriting commission and discounts) and all printers', attorneys' and accounting fees and disbursements ("**IPO Costs**"). If the Company is not permitted to bear the entire amount of the IPO Costs then the Shareholders participating in the IPO shall bear such portion of IPO Costs which is proportionate to their respective participation in the IPO.
- 68.6 As and when the Company initiates any process for any IPO, the Board shall constitute an IPO committee ("**IPO Committee**") which shall be responsible for overseeing the IPO and take all decisions in relation to the IPO (except as are required under Applicable Law to be taken only at a Board Meeting). Subject to Article 7.1, the Board shall determine the composition of the IPO Committee.
- 68.7 The Investor(s) is a financial investor of the Company and is not and shall not be represented as a 'promoter' in the prospectus, or any other documents related to any IPO. Without prejudice to the foregoing, (i) none of the obligations of 'promoters' shall be applicable to the Investor; and (ii) the Investor shall not be required to offer or make available its Equity Securities for the purposes of any lock-in requirements as are applicable to a 'promoter'.
- 68.8 Notwithstanding anything to the contrary contained in these Articles, the Investor shall not, in connection with any IPO, be required to give any representations, warranties, covenants, guarantees or indemnities to any IPO Advisor, stock exchange, Governmental Authority or any other Person; *provided that*, in the event that the Investor (and/or any of its Permitted Transferees) propose to offer Equity Securities held by them as a part of the offer for sale component in any IPO, the Investor or its Permitted Transferee shall only give customary representations on title and due authority and provide customary undertaking, certification, disclosure and documents to any IPO Advisor or any Governmental Authority, to the extent such undertakings, certifications, disclosures and documents relate to the Equity Securities held by the Investor or its Permitted Transferee which are proposed to be included as a part of the offer for sale component in the IPO.
- 68.9 For the avoidance of doubt, it is clarified that, any IPO shall be deemed to be completed or consummated only upon the actual listing and trading of the Equity Shares on a Recognized Stock Exchange(s) pursuant to undertaking of such IPO by the Company.

#### **CHAPTER X – COMPANY SALE**

69. In the event, the Investor (or any of its Permitted Transferees) continues to remain a Shareholder until the expiry of 60 (sixty) months from the Effective Date and the Investor has not been provided an opportunity by GA to exercise its Tag Along Right under Article 64.2 pursuant to a 50% Cross-Over

Transfer, 26% Cross-Over Transfer or a Competitor Transfer prior to the expiry of such 60 (sixty) months period, then, notwithstanding anything to the contrary contained in these Articles, the Company shall explore opportunities for, and facilitate, a sale of up to all of the Equity Securities held by the Investor and GA (“Company Sale”). For the avoidance of doubt, the number of Equity Securities that shall be offered as part of the Company Sale shall be decided by the relevant holder of such Equity Securities.

70. For the purpose of the Company Sale, the Company shall, under the management and supervision of the Board, use all reasonable efforts, at its cost and expense, to explore opportunities, to identify a Third Party for the sale of Equity Securities or Assets. Without limiting the generality of the foregoing:
- 70.1 the Company may appoint, if necessary, at its own cost, merchant bankers reasonably acceptable to the Board to evaluate alternatives for a Company Sale, including, if applicable, conduct a sale process and solicit offers for the sale of up to all of the Equity Securities through a fair and competitive bidding process;
- 70.2 if any of the proposals for a Company Sale is accepted by GA and/or the Investor, the Company shall facilitate the completion of such transaction, and all other Shareholders shall reasonably cooperate to facilitate such transaction in accordance with Article 61; and
- 70.3 the Company shall provide customary representations and warranties to any proposed third party purchaser in connection with the Company, the Subsidiaries, the Business and their operations to facilitate the Company Sale.
71. Any Transfer of Equity Securities pursuant to a Company Sale shall not be subject to the provisions of Article 63.3, Article 64.2 and Article 64.3.
72. The Company and the Shareholders shall provide, in the manner determined by the Board, all reasonable assistance and cooperation to give effect to the understanding captured in this Chapter X (*Company Sale*) (subject to execution of appropriate confidentiality agreements), including by providing the prospective buyer or investor copies of all books, records and other documentation relating to the Company and/or its Subsidiaries, the Business, and access to key employees and management of the Company and/or its Subsidiaries as may be reasonably requested by the prospective buyer or investor; in connection with a due diligence of the Company to be undertaken by it or its Representatives in connection with the investment in, or acquisition of the Equity Securities of, the Company. The Company shall take all such steps as may be required for the purpose of expeditiously making and completing the Company Sale, including obtaining all relevant Governmental Approvals that are necessary for its consummation.
73. Subject to Clause 16.4 (*Fall Away of Special Rights*) of the SHA, the Company shall explore opportunities to facilitate a Company Sale, once every 18 (eighteen) months to provide GA and the Investor (and their respective Permitted Transferees) with an exit opportunity.

#### **CHAPTER XI – BUYBACK OF SHARES**

74. Notwithstanding anything contained in these Articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

#### **CHAPTER XII – OTHERS**

75. Clause 16.4 and Clause 25 of the SHA shall be deemed to be incorporated herein in these Articles by way of reference.
76. **Valuation**
- 76.1 Any determination of the Company FMV (including for the avoidance of doubt, any valuation required to be undertaken in relation to the Equity Securities) shall be done in accordance with the requirements, and based on the factors, set forth in this Article 76.



- 76.2 The Company shall engage a Valuation Firm as the Independent Valuer for the purpose of determining the Company FMV. All fees and expenses of the Independent Valuer shall be the sole responsibility of the Company.
- 76.3 The Independent Valuer shall act in good faith and exercise its independent professional judgment in arriving at a determination of the Company FMV (which shall be expressed in INR) or the fair market value of each Equity Security, in each case, based on standard market practice and in compliance with Applicable Law.
- 76.4 The Independent Valuer shall state in writing in a certificate (the “**FMV Certificate**”) what, in its opinion, is the Company FMV and consequentially, the fair market value of each Equity Security, and shall provide a copy of the FMV Certificate to the Parties.
- 76.5 The fair market value determined by the Independent Valuer and set forth in the FMV Certificate shall be final, conclusive and binding on the Company and the Shareholders.
- 76.6 The Company shall ensure that the Independent Valuer shall have access to all financial and accounting records or other relevant documents of the Company and its Subsidiaries reasonably requested for the purposes of its determination (such information to be provided on a confidential basis and subject to appropriate confidentiality undertakings from the Independent Valuer in favour of the Company). The Company shall fully cooperate with the Independent Valuer, notably in meeting the Independent Valuer’s reasonable requests for documents and information wherever possible and within a reasonable timeframe.

77. **Most Favoured Investor**

Notwithstanding anything to the contrary contained herein, the Company and each of the Shareholders (other than the Investor) agree and acknowledge that they shall not grant any rights (including any dividend or liquidation preference rights) to any Person that (together with its Affiliates) will hold up to 12% (twelve percent) of the Share Capital (other than GA and its Affiliates), in relation to any Group Company (including its Equity Securities) that are more favourable than those provided to the Investor under the SHA and/or these Articles, without the Investor’s prior written consent.

78. **Anti-Bribery and Anti-Money Laundering Laws**

- 78.1 Neither any Group Company nor any Shareholder or the Company shall cause any violation of and shall take all reasonable steps to prevent its Representatives acting on its behalf from violating Anti-Corruption and Anti-Money Laundering Laws.
- 78.2 The Company has not, on its behalf and on behalf of every other Group Company, directly or indirectly, obtained or induced and shall not directly or indirectly, attempt to so obtain or induce the procurement of the SHA, any other Contract or Consent through any violation of any Anti-Corruption and Anti-Money Laundering Laws and none of them have given or agreed to give and shall not give or agree to give to any person, either directly or indirectly, any placement fee, introductory fee, arrangement fee, finder’s fee or any other fee, compensation, monetary benefit or any other benefit, gift, commission, gratification, bribe or kickback, whether described as a consultation fee or otherwise, with the object of obtaining or inducing the procurement of the SHA, any other Contract or Consent in violation of any Anti-Corruption and Anti-Money Laundering Laws.

79. Any waiver or consent granted under any amendment agreement and/or waiver notice between the Parties, in respect of the relevant provisions of the Shareholders Agreement shall also be deemed to be a waiver or consent under the corresponding clauses of this Articles of Association.

**SCHEDULE A**

**LIST OF COMPETING PERSONS**

1. Computer Age Management Services Private Limited

**SCHEDULE B**

## AFFIRMATIVE CONSENT MATTERS

1. Making any change in the capital structure of the Company or any Subsidiary, including, but not limited to, the issued, subscribed or the paid up share capital of the Company, issuance or allotment of Equity Securities, creation of any new class of security, reclassifying any component of the Share Capital, any reduction or cancellation of capital pursuant to any allotment or issuance (including by way of a rights issue, bonus, preferential issue, private placement, splits or other corporate organization) of Equity Securities or grant of any options or other rights over shares, the capitalization of any reserves or share premia, repurchase or redemption or buyback of or alteration of any rights of any class of Equity Securities by the Company. *Provided that*, issuance of any Equity Securities pursuant to any QIPO undertaken in accordance with these Articles, the ESOP or Permitted Issuance shall not be considered to be an Affirmative Consent Matter.
2. Incur or issue indebtedness in any form by the Company in excess of 4 times of the LTM (last twelve months) EBITDA of the Company (on a consolidated basis) as per the latest audited Financial Statements of the Company for the previous Financial Year, which shall include granting any loan, giving any guarantee, creation of any Encumbrance over any of the Assets of the Company, providing any security in connection with a loan to any other body corporate or person, or acquisition of, by way of subscription, purchase or otherwise, the shares or debt securities or equity securities of any company, body corporate or other incorporated or unincorporated entities / ventures (other than treasury investments), or the sale of any shares or debt securities or equity securities of any company, body corporate or other incorporated or unincorporated ventures by the Company.
3. Directly or indirectly: (i) acquire any interest in excess of 5% (five per cent) in any entity or Person; or (ii) acquire material assets of any entity or Person.
4. The incorporation or setting up of any Subsidiary, not being a wholly owned Subsidiary (including through acquisition) or the divestment in full or part of any Subsidiary, not being a wholly owned Subsidiary by the Company and/or any of its Subsidiaries.
5. The incorporation or setting up of any joint venture, partnership or affiliated company (including through acquisition) or the divestment in full or part of any joint venture or affiliated company or interests in partnerships by the Company and/or any of its Subsidiaries.
6. Permit any Subsidiary to issue securities to any Person other than the Company except pursuant to rights issue by such Subsidiary.
7. Any amendment to the Company's Articles or objects clause of the Memorandum, or the articles or objects clause of the memorandum of association (or equivalent) of a Material Subsidiary.
8. Any amendment to the key accounting policies being followed by the Company except where required by Applicable Laws.
9. Consenting, approving, commencing or taking any action to liquidate, dissolve or wind-up the operations of the Company and/or a Material Subsidiary (in each case, whether or not voluntary) or any restructuring or reorganization which has a similar effect or taking any steps in relation to the foregoing.
10. Sell, Transfer, lease or otherwise dispose of any property or assets of any Group Company that are in excess of 5% (five percent) of the net worth of the Company (as per the latest audited and consolidated Financial Statements of the Company available at the relevant time of determination) or sell, Transfer, lease or otherwise dispose of the whole or substantial part of the undertaking of the Company or where the Company owns more than 1 (one) undertaking, of the whole or substantial part of any of such undertakings.
11. Make any material change in the nature of the Business, suspension, discontinuation or cessation of all or a material portion of the Business or Transfer of all or a portion of the Business.
12. Any decision with respect to the offer price with regard to an IPO, which is not a QIPO.
13. Entering into, modification or any amendment to any Related Party Transaction.

14. Any merger, demerger, consolidation, recapitalisation, arrangement, spin-off, restructuring or other business combination, business division / split, scheme of arrangement, or similar transaction of / with respect to the Company and/or a Material Subsidiary.
15. Any commitment, or agreement to do any of the foregoing.

### **SCHEDULE C INFORMATION REPORTS**

1. Unaudited and management certified annual Financial Statements within 60 (sixty) days of completion of each Financial Year.
2. Audited annual Financial Statements of the Company (on a consolidated basis) within 90 (ninety) days of the end of the relevant Financial Year and the related consolidated statements of income, statements of changes in Shareholders' equity and statements of cash flows of the Company and each of the Subsidiaries for such Financial Year, all in reasonable detail and stating in comparative form the figures as at the end of and for the previous fiscal year accompanied by an opinion of the external auditor of the Company and each of the Subsidiaries, which opinion shall state that all such Financial Statements and related consolidated statements have been prepared in accordance with Ind AS and that the auditor's opinion is not subject to any qualification resulting from a limit on the scope of the examination of the Financial Statements or the underlying data or which could be eliminated by changes in the Financial Statements or the notes thereto or by the creation of or increase in a reserve or a decreased carrying value of assets.
3. Unaudited and management certified quarterly (and year-to-date) Financial Statements including an income statement, a statement of cash flow and a balance sheet; a statement of capital expenditures, detailed break-down of working capital, an aging analysis of receivables and comparisons to budget within 30 (thirty) days of the end of the relevant quarter, and annual audited financials within 90 (ninety) days from the date of close of Financial Year. The Financial Statements should be accompanied by a report from the chief executive officer of the Company and a discussion of key issues and variances to the budget, if any, during the immediately preceding quarter.
4. Management information system information / key performance indicators (in a format agreed by the Board) / any reports (in a format agreed by the Board) within 20 (twenty) days from the end of each month.
5. Within 30 (thirty) days from the end of each quarter, a brief quarterly reports / operations update including a narrative describing each Group Company's progress during the prior quarter.
6. Annual Business Plan and Budget (including quarterly budget containing an income statement, a statement of cash flow, a balance sheet, a statement of capital expenditures and a detailed break-down of the working capital) and headcount, no later than 15 (fifteen) days prior to the beginning of each Financial Year.
7. Certified copies of the executed minutes of Board Meetings, meetings of Committees of the Board, and Shareholders' Meetings within 7 (seven) Business Days of the relevant meeting, along with the statutory compliance certificate placed before the Board from time to time.
8. Such other information regarding the condition or operations, financial or otherwise, of the Company as may be reasonably requested from time to time. It is hereby clarified that upon such request of information by any Shareholder or Nominee Director, the requested information shall be shared with all the Shareholders and the Nominee Directors, regardless of the identity of the Person who has made the request.
9. The Company shall also provide an update on statutory compliance including provident fund, employee state insurance corporation, service tax, goods and service tax, excise payments and all foreign investment related compliances that GA or the Investor may periodically request for.

## Part B

1. The regulations contained in Table F of Schedule I of the Companies Act, 2013 shall apply to the Company so far as they are not inconsistent with or repugnant to any of the Articles set out hereunder.

### INTERPRETATION

#### 2. **Definitions and Interpretation:**

2.1 In the interpretation of these Articles, the following words and expression shall have the following meanings, unless repugnant to the subject or context hereof:

“**Act**” means the Companies Act, 2013, to the extent notified, as amended from time to time and includes any re-enactment thereof, with all schedules and tables thereunder, as notified, with effect from the date of such notification in the official Gazette of India and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous Company law, so far as may be applicable.

“**Alter**” and “**Alteration**” shall include the making of additions, omission, insertion, deletion and substitutions.

“**Applicable Law**” or “**Law**” means, to the extent it applies to a Person, applicable provisions of all: (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, policies, notifications, guidelines or ordinances of any governmental Authority as applicable to such Person; (ii) governmental approvals; and (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority.

“**Articles**”, means these Articles of Association as originally framed or Altered from time to time and includes the memorandum where the context so requires.

“**Annual General Meeting**” means a General Meeting of the Members held in accordance with the provisions of Section 96 of the Act.

“**Beneficial Owner**” means a Person whose name is recorded as such with a Depository;

“**Board of Directors**” or “**Board**”, shall mean the board of Directors of the Company.

“**Business**” means the business of the Company and its subsidiaries and includes providing: (i) services of a registrar to an issue of securities or of a share transfer agent, and back office functions in relation thereto; (ii) transfer agency and fund accounting services to the asset management industry (including, but not limited to, mutual funds, alternate investment funds and insurance companies) and compliance, back office operations and data processing and analytics activities in relation thereto; (iii) central recordkeeping agency services for the pension industry; and (iv) any other business activities that the Company or the Subsidiaries may engage in from time to time.

“**Bye Laws**” means bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.

“**Company Secretary**” or “**Secretary**” means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under the Act and these Articles.

“**Debenture**” includes debenture stock, bonds or any other instrument of the Company evidencing a debt, whether constituting a charge on the assets of the Company or not.

“**Depositories Act**” means the Depository Act, 1996 (22 of 1996) including any statutory modification or re-enactment there of including all the rules, notifications, circulars issued thereof and for the time being in force.

“**Depository**” means a depository as defined in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996.

“**Director**” means a director appointed to the Board of Directors of the Company.

“**Document**” includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form

“**Employees’ Stock Option Plan**” means the employee stock option plan as formulated and unanimously approved by the Board of Directors and shareholders of the Company, applicable inter alia to the employees, the Directors of the Company and its subsidiary companies.

“**Equity Shares**” means the equity shares of INR 10 (Indian Rupees ten) each, in the issued, subscribed and paid up equity share capital of the Company.

“**Extra Ordinary General Meeting**” means an extra ordinary general meeting of the Members duly called and constituted in terms of these Articles and the Act, and any adjournments thereof.

“**GA**” means GASF and GA SPV, collectively.

“**GASF**” means General Atlantic Singapore Fund Pte. Ltd., a company incorporated under the laws of Singapore and having its principal place of business at 8 Marina View, #41-04 Asia Square Tower 1, Singapore 018960.

“**GA SPV**” means General Atlantic Singapore KFT Pte. Ltd., a company incorporated under the laws of Singapore and having its principal place of business at 8 Marina View, #41-04 Asia Square Tower 1, Singapore 018960.

“**Key Managerial Personnel**”, in relation to a company, means—

- (i) the chief executive officer or the managing director or the manager;
- (ii) the Company Secretary;
- (iii) the whole-time director;
- (iv) the chief financial officer; and
- (v) such other officer as may be prescribed under the Act

“**KFin**” or “**The Company**” or “**This Company**” means KFIN TECHNOLOGIES LIMITED, a company incorporated under the Companies Act, 2013, and having its Registered Office in the State of Telangana.

“**Independent Director**” in relation to the Company, means a Director other than a Managing Director or a Whole-time Director or a Nominee Director appointed to the Board subject to the fulfilment of the criteria prescribed under Section 149(6) of the Act and SEBI Listing Regulations.

“**Kotak**” means Kotak Mahindra Bank Limited.

“**Meeting**” or “**General Meeting**” means either an Annual General Meeting or an Extra Ordinary General Meeting

“**Member**”, means every person whose name is entered in the Register of Members from time to time, as the holder of the Shares of the Company and includes every person holding Shares of the Company and whose name is entered as a Beneficial Owner in the records of a Depository.

“**Memorandum of Association**” means the memorandum of association of the Company (as amended, substituted, replaced from time to time).

“**Month**” means a period of thirty days and a “Calendar month” means an English Calendar Month.

“**Nominee Directors**” means, collectively, the GA Directors, and the Kotak Directors, and “**Nominee Director**” means any one of them.

“**Officer who is in default**” shall have the same meaning as specified under Section 2 (60) of the Act.

“**Ordinary Resolution**” means ordinary resolution as stated in Section 114 of the Act.

“**Person**” includes an individual, an association of persons or body of individual, whether incorporated or not and a firm.

“**Record**” includes the records maintained in the form of books or stored in computer or in such other form or medium as may be determined by Regulations.

“**Register and Index of beneficial owners**” maintained by a depository under Section 11 of the Depositories Act shall be deemed to be the Register and Index of Members for the purpose of the Act and these Articles.

“**Register of Members**” means the Register of Member to be kept in pursuance to the provisions of the Act.

“**Registered Office**” means the registered office for the time being of the Company.

“**Seal**” means the Common Seal for the time being of the Company.

“**SEBI**” means the, Securities and Exchange Board of India.

“**SEBI ICDR Regulations**” means SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

“**SEBI Listing Regulations**” means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

“**Security(ies)**” means the securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956.

“**Shareholders**” means the shareholders of the Company at the relevant time of reckoning, in accordance with the Act.

“**Shareholders’ Agreement**” or “**SHA**” means the identified Shareholders’ agreement dated September 19, 2021 executed between GA, Kotak and the Company, as amended from time to time.

“**Shares**” means the shares of the Company issued from time to time and carrying the rights as set out in these Articles including preference shares and the Equity Shares.

“**Share Capital**” means the issued and paid-up Equity Share capital of the Company, on a fully diluted basis.

“**Special Resolution**” means special resolution as stated in Section 114 of the Act.

“**The Registrar**” means the Registrar of Companies of the State in which the Registered Office of the Company is for the time being situate.

“**Third Party**” means any Person other than GA, Kotak or the Company, or any of their respective affiliates.

“**Tribunal**” means the National Company Law Tribunal constituted under Section 408 of the Act.

“**Whole-time Director**” includes a Director in whole time employment of the Company.

## 2.2 Interpretation

(i) Words importing the masculine gender include the feminine gender.

(ii) Words importing the singular number include the plural number.

(iii) Subject as aforesaid, any words and expressions defined in the said Act as modified up to the date on

which these Articles become binding on the Company shall, except where the subject or context otherwise requires, bear the same meaning in these Articles.

(iv) Word and concepts not defined in these Articles shall have the same meaning as defined under Section 2 of the Act and Rules made there under, as amended from time to time. In case any word or expression is not defined in the Act but defined in the Securities Contracts (Regulation) Act, 1956 or the Securities and Exchange Board of India Act, 1992 or the Depositories Act such words shall have the meaning respectively assigned to it in those Acts as amended from time to time. In case any word or expression is not defined any of the above acts such words or expressions shall have the meaning respectively assigned to it in General Clauses Act, 1897 as amended from time to time.

(v) "Writing" shall include printing and lithography and any other mode or modes representing or reproducing words in a visible forms.

(vi) "Year" means the calendar year and "Financial Year" in relation to the Company means the period starting from 1<sup>st</sup> day of April and ending on the 31<sup>st</sup> day of March every year.

3. The marginal notes hereto shall have no effect on the construction hereof.

#### **PUBLIC COMPANY**

4. The Company is a public company within the meaning of the Act.

#### **SHARE CAPITAL**

5. The authorized share capital of the Company shall be such amount and be divided into such Shares as may, from time to time, be provided in Clause V of the Memorandum of Association.

6. Subject to the provisions of the Act and these Articles, the Shares shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount and at such time as they may from time to time think fit and with the sanction of the Company in a General Meeting, to give to any Person or Persons the option or right to call for any Shares, either at par or premium during such time and for such consideration as the Board deems fit.

7. In addition to, and without derogating from the power for that purpose conferred on the Directors under these Articles, the Company in a General Meeting may, subject to the compliances of Sections 42 and 62 of the Act as the case may be and Rules issued there under, determine to issue further Shares out of the authorized but unissued share capital of the Company and may determine that any Shares shall be offered to such Persons (whether Members or holders of Debentures of the Company or not) in such proportions and on such terms and conditions and either at a premium or at par, as such General Meeting shall determine and with full power to give any Person (whether a Member or holder of Debentures of the Company or not) option to be exercisable at such times and for such consideration as may be directed by such General Meeting and subject to such other provisions whatsoever as the case may be, stipulated by the General Meeting, for the issue, allotment or disposal of any Share.

8. Subject to the provisions of the Act and these Articles, the Directors may allot and issue Shares in payment or part repayment of any property sold and transferred or for any services rendered to the Company in the conduct of its Business and any Shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than for cash and if so issued shall be deemed to be fully paid up or partly paid up Shares as aforesaid. The Directors shall cause returns to be filed of any such allotment as may be required under the provisions of the Act.

9. The Company be and is hereby empowered to issue Shares under the Employee Stock Option Plan subject to the provisions Section 54 of the Act and Rules issued thereunder, guidelines and regulations issued by SEBI and other laws as applicable.

10. The Shares shall be numbered progressively according to their several denominations.

11. The money (if any) which the Directors shall, on the allotment of any Shares being made by them, require or direct to be paid by way of deposits, call or otherwise in respect of any Shares allotted by

them, immediately on the insertion of the name of the allottee in the Register of Members as the holder of such Shares, shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by such allottee accordingly.

12. If by the conditions of allotment of any Share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall when due, be paid to the Company by the Person who for the time being and from time to time shall be the registered holder of the Share or his legal representative.

Subject to the provisions of these Articles, the Act, other Applicable Law and subject to such other approvals, permissions or sanctions as may be necessary, the Company may issue any Shares with or without differential rights upon such terms and conditions and with such rights and privileges (including with regard to voting rights and dividend) as may be permitted by the Act or the Applicable Law or guidelines issued by the statutory authorities and/or listing requirements and that the provisions of these Articles.

13. Except when required by law or ordered by a court of competent jurisdiction, the Company shall not be bound to recognize any Person as holding any Share upon any trust and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) in equitable, contingent, future or partial interest in any Share or any interest in any fractional part of a Share, or (except only as by these Articles or as ordered by a court of competent jurisdiction or by law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.
14. None of the funds of the Company shall be applied in the purchase of any Shares of the Company and itself not give any financial assistance for or in connection with the purchase or subscription of any Shares in the Company or in its holding company save as provided by provisions of the Act.

#### **INCREASE, REDUCTION AND ALTERATION OF CAPITAL**

15. Subject to the provisions of Section 61 of the Act, the Company may, by Ordinary Resolution in its General Meeting,
  - (a) increase the Share Capital by such sum, to be divided into Shares of such amount, as may be specified in the resolution;
  - (b) increase its authorized Share Capital by such amount as it thinks expedient;
  - (c) consolidate and divide all or any of its Share Capital into Shares of larger amount than its existing Shares;
  - (d) convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination;
  - (e) sub-divide its existing Shares or any of them into Shares of smaller amount than is fixed by the memorandum;
  - (f) cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person.
16. The Company may, by Special Resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law,
  - (a) its Share Capital;
  - (b) any capital redemption reserve account; or
  - (c) any share premium account.
17. Where at any time, the Company proposes to increase its subscribed capital by the issue/ allotment of further Shares, either out of the unissued or increased Share Capital, such Shares shall be offered



- (a) to Persons who, at the date of the offer, are holders of Shares of the Company in proportion, as nearly as circumstances admit, to the paid-up Share Capital on those Shares by sending a letter of offer subject to the following conditions, namely:
- (i) the offer shall be made by notice specifying the number of Shares offered and limiting a time not being less than fifteen (15) days and not exceeding thirty (30) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
  - (ii) subject to the provisions of these Articles the, offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the Shares offered to him or any of them in favour of any other Person; and the notice referred to in clause (i) of Article 17 (a) herein above shall contain a statement of this right, provided that the Board may decline, without assigning any reason therefore, to allot any Shares to any Person in whose favor any Member may renounce the Shares offered to him;
  - (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner which is not dis-advantageous to the Members and the Company;
- (b) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to such conditions as may be prescribed under the Act and any other law in force at the time, including the conditions set out under the employees' stock option guidelines issued by the SEBI (as may be applicable); or

to any Persons, if it is authorized by a Special Resolution, whether or not those Persons include the Persons referred to in clause (a) or clause (b) hereinabove, either for cash or for a consideration other than cash subject to Applicable Laws.

The notice referred above in Article 17(a)(i) shall be dispatched through registered post or speed post or through electronic mode or by courier or any other mode having proof of delivery to all the existing Shareholders at least 3 (three) days before the opening of the issue.

18. Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into Shares in the Company or to subscribe for Shares in the Company.
- (1) Provided that the terms of issue of such Debentures or loan include a term providing for such option and such term has been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.
  - (2) In the case of Debentures issued to, or loans obtained from the Government and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such Debentures or loans or any part thereof shall be converted into Shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such Debentures or the raising of such loans do not include a term for providing for an option for such conversion.

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

19. A further issue of Shares may be made in any manner whatsoever as the Board may determine including, but not limited to, by way of preferential offer or private placement, subject to and in accordance with the Act.

Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new Shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, transfer and transmission, forfeiture, lien, surrender, voting or otherwise.

20. Subject to the provisions of the Act, any preference Shares may be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue of the preference Shares may, in accordance with the provisions of the Act.

The period of redemption of such preference Shares shall not exceed the maximum period for redemption provided under the Act.

21. The Company may, subject to the provisions of the Act, from time to time by Special Resolution reduce in any manner and with, and subject to, any incident authorised and consent required under Applicable Law:
- (i) the Share Capital;
  - (ii) any capital redemption reserve account; or
  - (iii) any securities premium account.
22. The right conferred upon the holders of Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* herewith.
23. Save as otherwise provided in the Articles, the Company shall be entitled to treat the registered holder of any Share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction, or as by Law required, be bound to recognize any equitable or other claim to or interest in such Shares on the part of any other Person.
24. Except as required by Law, no Person shall be recognised by the Company as holding any Share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as by these Articles or by Law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.
25. Subject to the provisions of Sections 68 to 70 and other applicable provisions of the Act or any other Law for the time being in force, the Company shall have the power to buy-back its own Shares or other securities, as it may consider necessary.
26. Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and Members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other Applicable Laws.

#### **COMMISSION**

27. The Company may, subject to the applicable provisions of the Act, at any time pay a commission to any Person in consideration of his/her subscribing or agreeing to subscribe or such Person procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any Shares in or Debentures of the Company, but the rate of such commission shall not exceed the permissible rates under the provisions of the Act. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or Debentures or partly in the one way and partly in the other. The Company may also on any issue of Shares or Debentures, pay such brokerage as may be lawful.

#### **LIEN**

28. (i) That the fully paid Shares will be free from all lien. The Company shall have a first and paramount lien—
- (a) on every share (which shall also include Debentures for this Article) (not being a fully paid Share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

- (b) on all Shares (not being fully paid Shares) standing registered in the name of a single Person, for all monies presently payable by him/her or his/her estate to the Company:

Provided that the Board of Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article.

- (ii) The Company's lien, if any, on a Share shall extend to all dividends payable and bonuses declared from time to time in respect of such Shares.

A Member shall not exercise any voting rights in respect of the Shares in regard to which the Company has exercised the right of lien.

The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has a lien:

Provided that no sale shall be made—

- (a) unless a sum in respect of which the lien exists is presently payable; or

until the expiration of fourteen (14) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share or the Person entitled thereto by reason of his death or insolvency.

- 29. To give effect to any such sale, the Board may authorise some Person to transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 30. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the Person entitled to the Shares at the date of the sale.

### **CERTIFICATES**

- 31. Subject to Law, a Person subscribing to Shares of the Company shall have the option either to receive certificates for such Shares or hold the Shares with a Depository in electronic form. Where Person opts to hold any Share with the Depository, the Company shall intimate such Depository of details of allotment of the Shares to enable the Depository to enter in its records the name of such Person as the Beneficial Owner of such Shares.
- 32. Unless the Shares have been issued in dematerialized form in terms of Applicable Laws, every Person whose name is entered as a Member in the Register of Members shall be entitled to receive within 2 (two) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within 1 (one) month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be:
  - (i) one certificate in marketable lots for all his/her Shares of each class or denomination registered in his name without payment of any charges; or
  - (ii) several certificates, if the Board so approves, each for one or more of his/her Shares, upon payment of twenty (20) rupees for each certificate after the first.
- 33. Every certificate shall be under the Seal and shall specify the distinctive numbers of Shares to which it relates and the amount paid-up thereon shall be signed by 2 (two) Directors or by a Director and the Company Secretary or some other Person appointed by the Board for the purpose and shall be in such form as the Board may prescribe or approve.
- 34. In respect of any Share or Shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint holders

shall be sufficient delivery to all such holders.

35. An application signed by or on behalf of the applicant for Shares in the Company, followed by an allotment of any Shares therein, shall be acceptance of Shares within the meaning of these Articles and every Person who thus or otherwise accepts any Shares and whose name is on the Register shall for the purpose of these Articles be a Member.
36. Any Member of the Company shall have the right, without payment to one or more certificates in marketable lots, to sub-divide, split or consolidate the total number of Shares held by them in any manner and to request the Company to provide certificate(s) evidencing such sub-division, split or consolidation. If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members of the Company shall as regards voting General Meetings, service of notice and all or any matters connected with the Company, except the transfer of Shares and any other matters herein otherwise provided, be deemed to be sole holder thereof but joint holders of the Shares shall be severally as well as jointly liable for the payment of all deposits, installments and calls due in respect of such Shares and for all incidents thereof according to the Company's Articles.
37. If any Share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificates lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty (20) Rupees for each certificate, or such amount as may be fixed by the Board. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is not further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares.
38. Every endorsement upon a Share certificate in favour of any transferee thereof shall be signed by such Person for the time being authorized by the Directors in that behalf.
39. Except as required by Law, no Person shall be recognised by the Company as holding any Share upon any trust and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as by these Regulations or by law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.
40. The Board shall comply with requirements of section 46 and prescribed rules made under the said Act relating to the issue and execution of Share certificates. The provisions of this Articles shall *mutatis mutandis* apply issue of certificates for any other Securities of the Company including Debentures (except where the Act otherwise requires).

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulations and requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf.

#### **CALLS**

41. Subject to the provisions of the Act, the Board may, from time to time, make calls upon the Members in respect of any monies unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:
42. Each Member shall, subject to receiving at least fourteen (14) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his/her Shares.
43. A call may be revoked or postponed at the discretion of the Board.
44. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

45. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
46. (i) If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof, to the time of actual payment at such rate, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
47. (i) Any sum which by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
48. The Board may, if it thinks fit, subject to the provisions of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at such rate as determined by the Board and the Member paying such sum in advance agree upon, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced.
49. Any amount paid-up in advance of calls on any Share may carry interest but shall not entitle the holder of the Share to participate in respect thereof, in dividend subsequently declared.

The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable.

The provisions of these Articles shall *mutatis mutandis* apply to any calls on Debentures of the Company.

50. The option or right to call on Shares shall not be given to any Person except with the sanction of the Company in General Meeting.

#### **FORFEITURE AND SURRENDER**

51. If any Member fails to pay the whole or any part of any call or installment, any money due in respect of any Shares either by way of principal or interest, on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other money as aforesaid remain unpaid, or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the Person (if any) entitled to the Shares by transmission, requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.
52. The notice aforesaid shall—
- (a) name a further day (not being earlier than the expiry of fourteen (14) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (b) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made shall be liable to be forfeited.
53. If the requirements of any such notice as aforesaid shall not be complied with, any of the Shares in respect of which such notice has been given, may, at any time thereafter but before payment of all calls or installments, interest and expense and other monies due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture.

54. When any Shares shall have been so forfeited, an entry of the forfeiture, with the date thereof, shall be made in the Register of Members and notice of the forfeiture shall be given to the Member in whose name they stood immediately prior to the forfeiture, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any entry as aforesaid.
55. Any Share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.
56. The Directors may, at any time before any Shares so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof upon such conditions as they think fit.
57. Any Person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest, expenses and other moneys owing upon or in respect of such Shares, at the time of the forfeiture together with interest thereon from the time of the forfeiture until actual payment, at such rates as the Directors may determine. The Directors may, and shall be under no obligation to do so, enforce the whole or a portion of the payment, as if it were a new call made at the date of the forfeiture.
58. The liability of such Person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.

The forfeiture of a Share shall involve the extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company in respect of the Shares forfeited and all other rights incidental to such Shares, except those rights as are expressly saved by these Articles.

59. The Directors may, subject to the provisions of the Act, accept the surrender of any Shares from or by any Member desirous of surrendering them, on such terms as they think fit.
60.
  - (i) For the purpose of enforcing the aforesaid lien on the partly paid-up Shares, the Board of Directors may sell the Shares, subject to the terms hereof, in such manner as they shall think fit. However, no sale shall be consummated, unless the sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such Member, his executors or administrators or his committee, or other legal representatives as the case may be, and a default shall have been made by him or them in the payment of such sums payable as aforesaid, for a period of seven (7) days from the date of notice.
  - (ii) To give effect to any such sale, the Board may authorize any Person to transfer the Shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the Shares comprised in any such transfer. Upon any such sale as aforesaid, the certificates in respect of the Shares sold, shall stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in lieu of the sale to the purchaser or purchasers concerned.
61. The net proceeds of any such sale, after payment of the costs of such sale, shall be applied in or towards the satisfaction of the debts, liabilities or engagements of the defaulting Member and the residue, (if any) shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to such Member or the Person (if any) entitled by transmission to the Shares so sold.
62. A duly verified declaration in writing that the declarant is a Director, a manager or the Secretary of the Company and that a Share in the Company has been duly forfeited on a date stated in such declaration, shall be conclusive evidence of the facts stated therein, as against all Persons claiming to be entitled to the Share.
63. Upon any sale after forfeiture or for enforcing a lien in the exercise of the powers herein before given, the Board may appoint a Person to execute an instrument of transfer of the Share sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares so sold, and the Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposition thereof and the Person to whom such Shares are sold, re-allotted or disposed off, may be registered as the holder of the Share and he shall not be bound to see to the application of the

consideration/purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the Share, and after his name has been entered in the Register of Members in respect of such sold Shares, the validity of the sale shall not be impeached by any Person.

64. Upon any sale, re-allotment or other disposal of the Shares, under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant Shares shall (unless the same shall, on demand by the Company, have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificates in respect of the said Shares to the Person or Persons entitled thereto.

### **TRANSFER AND TRANSMISSION OF SHARES**

65. The Securities or other interest of any Member shall be freely transferable, provided that any contract or arrangement between 2 (two) or more Persons in respect of transfer of Securities shall be enforceable as a contract. The instrument of transfer of any Shares shall be in such form as may be prescribed under the Act and in writing, and all the applicable provisions of the Act for the time being in force shall be duly complied with, in respect of all transfers of Shares and the registrations thereof. The Company shall also use a common form of transfer.
66. Every such instrument of transfer shall be executed by or on behalf of the transferor and by or on behalf of the transferee and the transferor shall be deemed to remain the holder of such Share until the name of the transferee is entered in the Register of Members in respect thereof.
67. Subject to the provisions of the Act, these Articles, any listing agreement entered into with any recognized stock exchange and any other Applicable Law for the time being in force, including the SEBI Listing Regulations, the Board may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of Shares, whether fully paid or not, or any interest of a Member. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever, except where the Company has a lien on the Shares or other Securities, provided however, that the Board may decline to register or acknowledge any transfer, whether fully paid-up or not, if the transfer results in, or is perceived to or may result in, a contravention or violation of any foreign investment limit or restriction under Applicable Law as applicable to the Company, and further, that the decision of the Board or any Persons designated by the Board with respect to whether the transfer results in, or is perceived to or may result in, a contravention or violation of any foreign investment limit or restriction under Applicable Law as applicable to the Company shall be final and binding in all respects. Transfer of Shares/Debentures in whatever lot shall not be refused.
68. The Board may decline to recognize any instrument of transfer unless—
- (a) the instrument of transfer is duly executed and is in the form as prescribed in rules made under sub-section (1) of section 56;
  - (b) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (c) the instrument of transfer is in respect of only one class of Shares.
69. If the Company refuses to register the transfer of any Share or transmission of any right therein the Company shall, within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor to the Person giving intimation of transmission, as the case may be, and thereupon the provisions of the Act shall apply.
70. No fee shall be charged by the Company for transfer of Shares or transmission of Shares or for registration of any Powers of Attorney, Probates, Letter of Administration or similar documents except in respect of issue of fresh Share Certificates in lieu of surrendered certificates for consolidation, splitting or otherwise.

71. A transfer of a Share in the Company of a deceased Member thereof made by his legal representative shall, although the legal representative is not himself a Member be a valid as if he had been a Member at the time of the execution of the instrument of transfer.
72. The instrument of transfer after registration shall be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall, on demand, be returned to the Person depositing the same. The Directors may cause to be destroyed, all transfer deeds lying with the Company for a period as prescribed under the Act.
73. On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder or the Listing Regulations, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty five days in the aggregate in any year.
74. The Company shall maintain "Register of Members" in physical or electronic form and shall enter the particulars of every transfer or transmission of any Shares and all other particulars of Share as required by the Act in such register.
75. The Board of Directors may close the Register of Members or the register of Debenture holders or the register of other Security holders for any period or periods not exceeding in the aggregate forty-five days in each year, but not exceeding thirty days at any one time, subject to giving of previous notice of at least seven days or such lesser period as may be specified by SEBI by an advertisement in a vernacular newspaper in the principal vernacular language of the district and having wide circulation in the place where the Registered Office of the Company is situated, and at least once in English language in an English newspaper circulating in that district and having wide circulation in the place where the Registered Office of the Company is situated and publish the notice on the website of the Company or in such other manner as may be required by the Act, Rules or Regulations in force.
76. The provisions of these Articles relating to maintenance of Register of Members and transfer of Shares shall *mutatis mutandis* apply to any other Securities including Debentures of the Company.
77. The executors or administrators or a holder of a succession certificate in respect of the estate of a deceased Member, not being one of two or more joint holders shall be the only Persons recognized by the Company as having any title to the Shares registered in the name of such deceased Member and the Company shall not be bound to recognize such executors or administrators unless such executors or administrators shall have first obtained proper evidence being as the Board may from time to time require, register the name of any Person who claims to be absolutely entitled to the Shares standing in the name of a deceased Member, as a Member.
78. Subject to the provisions of Article 77 hereof, any Person becoming entitled to a Share in consequence of the death, or insolvency of any Member, upon producing proper evidence being produced as the Board may from time to time require, and subject as hereinafter provided, elect, either: to be registered as a Member in respect of such Shares, or to make such transfer of the Share as the deceased or insolvent Member could have made.
79. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register any such transmission until the same has been so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any such indemnity.
80. i) A nominee, upon production of such evidence as may be required by the Board, and subject to the provisions hereinafter provided, elect either:
- (a) himself/herself to be registered as holder of the Share; or
  - (b) to make a transfer of the Share or Debenture, as the deceased Shareholder or Debenture holder, as the case may be, could have made.



- ii) If the nominee elects to be registered as holder of the Share himself/herself, as the case may be, he/she shall deliver or send to the Company, a notice in writing signed by him/her stating that he/she so elects and such notice shall be accompanied with the death certificate of the deceased Shareholder.
- iii) A nominee, upon becoming entitled to a Share/ Debenture by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he/she would be entitled to, if he/she were the original registered holder of the Share/ Debenture, except that he/she shall not, before being registered as a Member in respect of his Share or Debenture, be entitled in respect of such Share/ Debenture, to exercise any right conferred by Membership in relation to Meetings of the Company.

Provided further that the Board may, at any time, give notice requiring any such Person to elect either to be registered himself/herself or to transfer the Share and if the notice is not complied with by such nominee within ninety (90) days from the date of notice, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of such Share/Debenture, until the requirements of the notice have been complied with.

- 81. A Person entitled to a Share by transmission shall subject to the right of the Directors to retain such dividends or monies as hereinafter provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.
- 82. Every transmission of a Share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.
- 83. The Company shall not charge any fee for registration of transfer or transmission in respect of Share or Debentures of the Company.
- 84. The Company shall incur no liability or responsibility whatsoever in consequence of their registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of Persons having or claiming any equitable right title or interest (to or in such Shares), notwithstanding that the Company may have received a notice prohibiting registration of such transfer and may have entered such notice as referred thereto in any book of the Company, and save as provided by Section 89 of the Act, the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest of any Person, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors so think fit.
- 85. The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other Securities including Debentures of the Company.

#### **NOMINATION OF SHARES**

- 86. i) Notwithstanding anything contained hereinabove, every Shareholder of the Company may at any time, nominate, in the prescribed manner, a Person to whom his Shares in the Company shall vest in the event of his death.
- ii) Where the Shares in the Company are held by more than one Person jointly, the joint holders may together nominate, in the prescribed manner, a Person to whom all the rights in the Shares in the Company, shall vest in the event of death of all the joint-holders.
- iii) Notwithstanding anything contained in any other law for the time being in force or in any deposition, whether testamentary or otherwise, in respect of such Shares in the Company, where a nomination made in the prescribed manner purports to confer on any Person the right to vest the Shares in the Company, the nominee shall, on the death of the Shareholder or as the case may be, on the death of the joint holders become entitled to all the rights in such Shares, to the exclusion of all other Persons,

unless the nomination is varied or cancelled in the prescribed manner.

- iv) Where the nominee is a minor, it shall be lawful for the holder of the Shares, to make the nomination to appoint in the prescribed manner, any Person to become entitled to Shares in the Company, in the event of his death, during the minority.

### **DEMATERIALISATION OF SECURITIES**

87. (a) The Company shall be entitled to treat the Person whose name appears on the Register of Members as the holder of any Share or whose name appears as the Beneficial Owner of Shares in the records of the Depository, as the absolute owner thereof.
- (b) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its Securities and to offer Securities in a dematerialized form pursuant to the provisions of the Depositories Act and offer its Shares, Debentures and other Securities for subscription in a dematerialized form. The Company shall be further entitled to maintain a Register of Members with the details of Members holding Shares both in material and dematerialized form in any medium as permitted by Law including any form of electronic medium.
- (c) Notwithstanding anything contained in the Articles, and subject to the provisions of the Law for the time being in force, the Company shall on a request made by a Beneficial Owner, re-materialize the Shares, which are in dematerialized form.
88. **Securities in depositories to be in fungible form:**
- (i) All Securities held by a Depository shall be dematerialized and shall be in fungible form.
- (ii) Nothing contained in Sections 89 of the Act shall apply to a Depositor in respect of the Securities held by it on behalf of the Beneficial Owners.
89. **Section 45 of the Act not to apply:** Nothing contained in the Act or these Articles regarding the necessity of having distinctive number for Securities issued by the Company shall apply to Securities held in a depository.
90. Every Person subscribing to the Shares offered by the Company shall receive such Shares in dematerialized form. Such a Person who is the Beneficial Owner of the Shares can at any time opt out of a Depository, if permitted by the Law, in respect of any Shares in the manner provided by the Depositories Act and the regulations made thereunder and the Company shall in the manner and within the time prescribed, issue to the Beneficial Owner the required certificate of Shares.
91. If a Person opts to hold his Shares with a depository, the Company shall intimate such Depository the details of allotment of the Shares, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Shares.
92. **Rights of Depositories and Beneficial Owners:**
- (i) Notwithstanding anything to the contrary contained in the Articles or any other law for the time being in force, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of the Security on behalf of the Beneficial Owner.
- (ii) Save as otherwise provided in (i) hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it.
- (iii) Every Person holding Securities of the Company and whose name is entered as a Beneficial Owner in the records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of his Securities held by a Depository.

93. **Depository to furnish information:**

Notwithstanding anything in the Act or these Articles to contrary where Securities are held in a depository the records of Beneficial Ownership may be served by such depository on the Company means of electronic mode or by delivery of drives or discs any other mode as prescribed by Law from time to time.

94. In the case of transfer of Shares or other marketable Securities where the Company has not issued any certificates and where such Shares or Securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.
95. Nothing contained in section 56 of the Act, shall apply to transfer of Securities effected by the transferor and the transferee both of whom are entered as Beneficial Owner in the record of the Company.

### **CONVERSION OF SHARES INTO STOCK**

96. Where Shares are converted into stock, the holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations under which the Shares from which the stock arose, might before the conversion, have been transferred, or as near thereto as circumstances admit, provided that, the Board may from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of Shares from which the stock across.
97. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting and meetings of the Company, and other matters, as if they held the Shares from which the stock arose but no such privilege or advantage (except as regard dividends, participation in the profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.

### **MODIFICATION OF RIGHTS**

98. Subject to the provisions of these Articles, the Act, other Applicable Law and subject to such other approvals, permissions or sanctions as may be necessary, the Company may issue any Shares with or without differential rights upon such terms and conditions and with such rights and privileges (including with regard to voting rights and dividend) as may be permitted by the Act or the Applicable Law or guidelines issued by the statutory authorities and/or listing requirements and that the provisions of these Articles.
99. If at any time the Share Capital is divided into different classes, the rights attached to any class of Shares (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of the Act, be modified, commuted, affected, abrogated or varied (whether or not the Company is being wound up) with the consent in writing of the holders of not less than three fourths of the issued Shares of that class, or with the meeting of the holders of that class of Shares and all the provisions hereinafter contained as to General Meeting shall *mutatis mutandis* apply to every such meeting but so that the necessary quorum shall be at least two Persons holding at least one-third of the issued Shares of the class in question.

The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

### **JOINT HOLDERS**

100. Where two or more Persons are registered as the holders of any Share they shall be deemed to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions in the Articles;
- (a) The Company may be entitled to decline to register more than three (3) Persons as the joint holders of any Share(s).

- (b) The joint holders of any Share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such Share.
- (c) On the death of any such joint holder the survivor or survivors shall be the only Person or Persons recognized by the Company as having any title to the Share but the Directors may require such evidence of deaths they may deem fit and nothing herein contained shall be taken to release the estate of deceased joint holder from any liability in respect of the Shares held by him jointly with any other Person.
- (d) Only the Person whose name stands first in the Register of Members may give effectual receipts for any dividends or other moneys payable in respect of such Share.
- (e) Only the Person whose name stands first in the Register of Members as one of the Joint holders of any Share shall be entitled to delivery of the Certificate relating to such Share or to receive Documents) from the Company and any Documents served on or sent to such person shall be deemed service on all the joint holders.
- (f) Any one of two or more joint holders may vote at any Meeting either personally or by proxy in respect of such Shares as if he were solely entitled thereto and if more than one of such joint holders be present at any Meeting personally or by proxy than that one of such Persons so present whose name stands first or higher (as the case may be) on the Register in respect of such Shares shall be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the Meeting provided always that joint holders present at any Meeting personally shall be entitled to vote in preference to a joint holder present by proxy although the name of such joint holder present by proxy stands first or higher in the Register in respect of such Shares, several executors or administrators of a deceased Member in whose (deceased Member's) sole name any Share stands shall for the purposes of this sub-clause be deemed joint holders.

The provisions of this Article relating to joint holders of Shares shall mutatis mutandis apply to any other Securities including Debentures of the Company registered in joint names.

#### **DECLARATION BY PERSON NOT HOLDING BENEFICIAL INTEREST IN ANY SHARE**

- 101. (a) Notwithstanding anything herein contained, a Person whose name is at any time entered in the Register of Members of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Share shall, within such time and in such form as prescribed under the Act, make a declaration to the Company specifying the name and other particulars of the Person or Persons who hold the beneficial interest in such Share in such manner as may be required under the provisions of the Act.
  - (b) A Person who holds a beneficial interest in a Share or a class of Shares of the Company, shall within the time prescribed under the Act after his becoming such Beneficial Owner, make a declaration to the Company specifying the nature of his interest, particulars of the Person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be required under the provisions of the Act.
  - (c) Whenever there is a change in the beneficial interest in the Share referred to above, the Beneficial Owner shall within a period of thirty (30) days from the date of such change make a declaration to the Company in such form and containing such particulars may be required under the provisions of the Act.
  - (d) Notwithstanding anything contained in the provisions of the Act and the Articles hereof, where any declaration referred to above is made to the Company, the Company shall make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.
102. Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68 to 70 of the Act and any other applicable provision of the Act and rules there under or any other law for the time being in force, the Company may purchase its own Shares or other specified Securities.

## **BORROWING POWERS**

103. (a) Subject to Sections 73, 179 and 180 of the Act and other Applicable Law, the Board may from time to time, at their discretion raise or borrow funds or any sums of money for and on behalf of the Company from the Members or from other persons, companies or banks. Directors may also advance monies to the Company on such terms and conditions as may be approved by the Board.
- (b) The Board may, from time to time, secure the payment of such money in such manner and upon such terms and conditions in all respects as they think fit.
- (c) Any Debentures, Debenture-stock or other securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of Shares shall not be issued except with the sanction of the Company in General Meeting by a special resolution and subject to the provisions of the Act.

## **GENERAL MEETINGS**

104. Subject to the provisions of the Act, the Company shall, in addition to any other meeting, hold a General Meeting (hereinafter called “**Annual General Meeting**”) at the intervals and in accordance with the requirement of the Act and no more than fifteen (15) months shall elapse between the date of one Annual General Meeting of the Company and that of the next.
105. All General Meetings other than Annual General Meeting shall be called Extra-Ordinary General Meetings.
106. The Board of Directors may call an Extraordinary General Meetings whenever they think fit.
107. (1) The Board of Directors shall at the requisition made by such number of Members and in such manner, both prescribed under the Act call an Extraordinary General Meeting of the Company and the provisions the Act and the provisions of the Articles herein below contained shall be applicable to such Extraordinary General Meeting.
- (2) The requisition shall set out the matters for the consideration of which the Meeting is to be called, shall be signed by the requisitionists, and shall be deposited at the Registered Office of the Company.
- (3) Where two or more distinct matters are specified in the requisition, the provisions of Clause (1) of Article 107 above shall apply separately in regard to each such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled.
- (4) If the Board of Directors do not, within twenty one days form the date of the receipt of a valid requisition in regard to any matter, proceed duly to call a Meeting for the consideration of those matter, on a day not later than forty five days from the date of the receipt of the requisition, the Meeting may be called by the requisitionists themselves within three months from the date of the requisition.
- (5) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a Meeting shall be reimbursed to the requisitionists by the Company and any sum so repaid shall deducted from any fee or other remuneration under Section 197 of the Act payable to such of the Directors who were in default in calling the Meeting.
108. (1) A General Meeting of the Company may be called by giving not less than clear twenty one days’ notice in writing or by electronic mode in the manner set out under the Act.
- (2) However, the General Meeting may be called after giving a shorter notice (i.e. lesser than 21 days), if the consent is accorded thereto in writing or by electronic mode by not less than ninety-five

percent of the Members entitled to vote at such General Meeting.

109. Every notice of a Meeting of the Company shall specify the place, the date, the day and the hour of the Meeting and shall contain a statement of the business to be transacted at such General Meeting. The notice shall also specify whether the Meeting called is an Annual General Meeting or Extraordinary General Meeting.
110. (1) In the case of an Annual General Meeting all business to be transacted at the Meeting shall be deemed special, with the exception of business relating to:
  - (i) the consideration of the financial statements including balance sheet and the profit and loss account statements and the reports of Board of Directors and the auditors.
  - (ii) the declaration of dividend.
  - (iii) the appointment of and the fixing of the remuneration of the auditors.
  - (iv) the appointment of Directors in the place of those retiring.
- (2) In the case of any other meeting all business shall be deemed special.
- (3) Where any item of business to be transacted at the Meeting consists of according approval of the Meeting to any document, the time and place where the document can be inspected shall be specified in the explanatory statement.
111. Notice of every Meeting shall be given to every Member of the Company, legal representative of any deceased Member or the assignee of an insolvent member, the auditors, every Director, in a manner prescribed under the Act and authorized by these Articles.
112. The accidental omission to give notice of any Meeting to or the non-receipt of any notice by any Member or to the other Person to whom it should be given shall not invalidate the proceedings at the Meeting or the resolutions passed thereat.
113. Upon requisition in writing of such number of Members as required in Article 107 hereof, the Directors shall duly comply with the obligation of the Company under the said Act relating to circulation of Members resolutions and statement.
114. No Annual General Meeting or Extraordinary General Meeting shall be competent to enter upon, discuss or transact any business, a statement of which has not been specified in the notice convening such Meeting, except as provided in the said Act.

#### **PROCEEDING AT GENERAL MEETINGS**

115. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.
116. If within half an hour after the time appointed for the holding of a General Meeting, requisite quorum is not present, the Meeting, if convened on the requisition of Shareholders shall be cancelled and in any other case shall stand adjourned to the same day in the next week at the same time and place or to such other date and such other time and place as the Board may decide by providing the requisite notice to the Meeting as prescribed under Section 103 of the Act. If at such adjourned Meeting, a valid quorum is not present within half an hour, those Members present shall be a quorum and may transact the business for which the Meeting was called.
117. No business shall be transacted at any adjourned Meeting other than the business which might have been transacted at the Meeting from which the adjournment took place.
118. The Chairman of the Board Of Directors shall preside at every General Meeting. If there is no Chairman, or if at any Meeting he shall not be present within 15 minutes after the time appointed for holding such Meeting or is unwilling to act, the Vice-Chairman, or in the case of his absence or refusal, the Directors present may choose one of the Directors to be the Chairman, and in default of their doing so the Members

present shall choose one of the Directors to be the Chairman, and if no Director present be willing to take the Chair, the Members personally present shall choose one of the Member to be the Chairman.

119. No business shall be discussed at any General Meeting, except the election of Chairman whilst the Chair is vacant.
120. A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any question (other than the election of the Chairman or on question of adjournment, which shall be taken forthwith) shall be taken at such time not being later than forty eight hours from the time when the demand was made as the Chairman of that General Meeting may direct. Subject to the provisions of the Act, the Chairman of the Meeting shall have power to regulate the manner in which a poll shall be taken, including the power to take the poll by open voting or by secret ballot and either at once or after the interval or adjournment or otherwise and the result of the poll shall be deemed to be the decision of the Meeting on the resolution, on which the poll was taken.
121. The Chairman of the Meeting shall have power to regulate the manner in which the poll shall be taken. The result of the poll shall be deemed to be a decision of the Meeting on the resolution on which the poll was demanded.
122. The demand for a poll shall not prevent the continuance of a Meeting for transaction of any business other than the question on which the poll has been demanded.
123. A demand for a poll may be withdrawn at any time by the Persons who made the demand.
124. Where a poll is to be taken, the Chairman of the Meeting shall appoint such number of Persons, as he deems necessary, to scrutinize the poll process and votes given on the poll and to report thereon to him in the manner as may be prescribed under the Act. The manner in which the Chairman of the Meeting shall get the poll/voting process scrutinised and report thereon shall be as per Companies (Management and Administration) Rules, 2014 and any amendment thereof.
125. At any General Meeting, a resolution put to the vote at the Meeting shall be decided by voting through electronic means (remote e-voting and e-voting at the Meeting venue) or such other mode as may be prescribed and applicable to the Company pursuant to the provisions of the Act & Rules referred therein and Listing Regulations.
126. At every Annual General Meeting of the Company there shall be laid on the tables the Directors Report and audited statement of Accounts, Auditors Report (if not already incorporated in the statement of accounts), the Proxy Register with proxies and the Register of Directors and Managing Director's or Manager's Shareholding maintained under the Act. The Auditors Report shall be read before the Company in its General Meeting and shall be open to inspection by any Member of the Company.
127. The Company shall cause minutes of all proceedings of every General Meeting to be kept in accordance with the provisions of the Act by making, within thirty (30) days of the conclusion of each such Meeting, entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such book shall be initiated or signed and the last page of the record of proceedings of each Meeting in such books shall be dated and signed by the Chairman of the same Meeting. Any such minutes kept as aforesaid shall be evidence of the proceedings recorded therein.
128. The books containing the aforesaid minutes shall be kept at the Registered Office and be open during business hours to the inspection of any Member without charge, subject to such reasonable restrictions the Company may by these Articles or in General Meeting impose in accordance with provisions of the Act.

#### **VOTES OF MEMBERS**

129. Subject to the provisions of the Act and these Articles, votes may be given either personally or by proxy or in the case of a body corporate also by a representative duly authorized under a resolution.
130. (1) Subject to any rights or restrictions for the time being attached to any class or classes of Shares,—
  - (a) on a show of hands, every Member present in person shall have one vote; and

- (b) on a poll or in e-voting, the voting rights of Members shall be in proportion to his Share in the paid-up equity Share Capital of the Company.
- (2) A Member may exercise his vote at a Meeting by electronic means in accordance with the provisions of the Act.
- (3) (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.  
(ii) For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.
- (4) A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his Share or Shares shall be by his legal guardian.
- (5) Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- (6) No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of his Shares in the Company have been paid.
- 131. Any Member entitled to attend and vote at a Meeting of the Company shall be entitled to appoint another Person (whether a Member or not) as his proxy to attend and vote instead of himself but a proxy so appointed shall not have any right to speak at the Meeting.
- 132. Every proxy shall be appointed by an instrument in writing signed by the appointer or his attorney duly authorized in writing, or if the appointer is a body corporate, be under its Seal or be signed by an Officer or an attorney duly authorized by it.
- 133. The instrument of proxy shall be deposited at the office of the Company not less than forty eight (48) hours before the time for holding the Meeting at which the Person named in the instrument proposes to vote and in default, the instrument proxy shall not be treated as valid.
- 134. An instrument appointing a proxy shall be in such form as may be prescribed by the Act from time to time.

#### **DIRECTORS**

- 135. Subject to the provisions of the Act, the number of Directors shall not be less than three (3) and unless otherwise determined by the Company in General Meeting more than fifteen (15). The Company may appoint more than fifteen (15) Directors after passing a Special Resolution. At least one Director shall reside in India for a total period of not less than 182 (one hundred and eighty-two) days in each financial year.
- 136. The composition of the Board of Directors shall be subject to compliance with the applicable provisions of the Act and the SEBI Listing Regulations. With effect from the date of receipt of final listing and trading approvals from the stock exchanges on which the Equity Shares are, or are proposed to be, listed (“**Listing Date**”) and subject to the approval of the Shareholders of the Company post listing through a Special Resolution at the first Shareholders’ Meeting held by the Company post-listing of its Shares pursuant to an IPO:
  - (1) GA shall have the right to nominate up to:
    - 1.1 (three) Directors, in the event GASF and/or GA SPV is, or is deemed to be, the ‘promoter’ (as defined under the SEBI ICDR Regulations) of the Company;
    - 1.2 2 (two) Directors, in the event neither GASF nor GA SPV is, nor deemed to be, the ‘promoter’ (as defined under the SEBI ICDR Regulations) of the Company, but holds (together with its affiliates) at least 26% (twenty six percent) of the paid up Share Capital; and



1.3 1 (one) Director, in the event neither GASF nor GA SPV is, nor deemed to be, the ‘promoter’ (as defined under the SEBI ICDR Regulations) of the Company, but holds (together with its Affiliates) at least 7.5% (seven point five percent) but less than 26% (twenty six percent) of the paid up Share Capital.

(the Directors nominated by GA being the “GA Directors”); and

- (2) Kotak shall have the right to nominate 1 (one) Director, in the event Kotak (together with its Affiliates) holds at least 7.5% (seven point five percent) of the paid up Share Capital (the Director nominated by Kotak being the “Kotak Director” and together with GA Directors, the “Nominee Directors”).
- (3) Any vacancy occurring with respect to the position of a Nominee Director, by reason of death, disqualification, resignation, removal, the inability to act or otherwise, shall be filled only by another nominee specified by the concerned Shareholder.

The rights of the concerned Shareholders to appoint a Nominee Director under this Article shall be exercisable by the relevant Shareholder by providing a written notice to the Company. Such notice shall also set out the existing Shareholding of such Shareholder and its Affiliate(s), if any, in the Company.

- (4) The Board shall consist of at least 1 (one) non-executive Director, that may be appointed by the Board from time to time.

With effect from the Listing Date, Clause 25.3 and Clause 25.4.3(i) of the Shareholders’ Agreement, shall be deemed to be incorporated in these Articles by reference.

137. The Company may agree with any financial institution or any authority or Person or State Government that in consideration of any loan or financial assistance of any kind whatsoever, which may be rendered by it to the Company, it shall till such time as the loan or financial assistance is outstanding have power to nominate one or more Directors on the Board of the Company and from time to time remove and reappoint such Directors and to fill in any vacancy caused by the death or resignation of such Directors otherwise ceasing to hold office. Such financial Directors shall not be required to hold any qualification Shares nor shall they be liable to retire by rotation.
138. Any trust Deed for securing Debenture, Debenture stock may if so arranged, provide for the appointment from time to time by the trustees thereof or by the holders of the Debentures or Debentures stock of some Person to be a Director of the Company and may empower such trustees or holders of Debentures or Debenture stock from time to time to remove any Director so appointed. The Director appointed under this Article is herein referred to as the “**Debenture Director**” and the term Debenture Director means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification Shares and shall not be liable to retire by rotation or, subject to the provision of the Act, be removed by the Company. The trust deed may contain such ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.
139. The Board of Directors may appoint a Person, not being a Person holding any alternate directorship for any other Director in the Company, to act as an Alternate Director for a Director during his absence for a period of not less than three (3) months from India.

No Person shall be appointed as an Alternate Director for an Independent Director unless he is qualified to be appointed as an Independent Director under the provisions of this Act:

An Alternate Director shall not hold office for a period longer than that permissible to the Director in whose place he has been appointed and shall vacate the office if and when the Director in whose place he has been appointed returns to India.

140. If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors subject to the provisions of the Act.

Any Person so appointed shall hold office till such time, the original Directors would have held office, if the vacancy had not occurred.

141. Subject to the provisions of the Act, the Director shall have power at any time and from time to time to appoint a Person or Persons as Additional Director or Directors. Provided that any Person who fails to get appointed at a General Meeting, shall not be eligible for appointment as an Additional Director.
142. Such Additional Director shall hold office only up to the date of the next Annual General Meeting of the Company, but shall be eligible for re-election at that Meeting as a Director, provided that the number of Directors and the Additional Director together, shall not exceed the maximum strength fixed by the Article.
143. The Company shall appoint such number of Directors as Independent Directors as may be required under the provisions of the Act and rules thereunder, if applicable. The candidates to be appointed as Independent Director shall hold such qualifications and shall comply with such conditions as may be prescribed under the Act. The manner of appointment of the Independent Directors to the Board shall be in accordance with the Act and rules thereunder or the SEBI Listing Regulations in force.
144. The Company shall appoint such number of women Directors as may be required under the provisions of the Act and rules thereunder.
145. A Director of the Company shall not be bound to hold any qualification Shares.
146. The remuneration payable to the Directors, including any Managing or Whole-time Director or Manager, if any, shall be determined in accordance with and subject to the provisions of the Act.
147. In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them:
  - (a) in attending and returning from meetings of the Board or any committee thereof or General Meetings of the Company; or
  - (b) in connection with the Business of the Company.
148. The Directors may also be remunerated for any extra services done by them outside their ordinary duties as Directors, subject to the provisions of Section 197 of the Act.
149. Subject to the provisions of the Act, each Director shall be paid sitting fees for each meeting of the Board or a Committee thereof attended by him, subject to the ceiling prescribed under the Act.
150. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such Person and in such manner as the Board shall from time to time by resolution determine.
151. Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
152.
  - (1) The Board of Directors, may from time to time appoint, subject to Section 196 and other applicable provisions of the Act, one or more of their body to be a Managing Director or a Whole-time Director of the Company either for a fixed term not exceeding five (5) years for which he or they is or are to hold such office on terms and conditions as they may deem fit and delegate such power to him as they may deem proper and from time to time remove or dismiss him or them from office subject to the terms of any agreement entered into in any particular case and appoint another in his/their place.
  - (2) Subject to the provisions of any contract between him and the Company, the managing Director/ Whole-time Director, shall be subject to the same provisions as to resignation and removal as the other Directors and his appointment shall automatically terminate if he ceases to be a Director.
  - (3) The Board may fix the remuneration of such Managing Directors and Whole-time Directors,

whether by way of salary or commission or by conferring a right to participate in the profits of the Company or by combination of any of the above.

153. The continuing Directors may act notwithstanding any vacancy in their body but subject to the provisions of the Act, if the number falls below the minimum number above fixed and notwithstanding the absence of a quorum, the Directors may act for the purposes of filling up vacancies or for summoning a General Meeting of the Company.
154. The Company, may by Ordinary Resolution, of which special notice has been given in accordance with the Section 169 of the Act, remove any Director including the managing Director, if any, before the expiration of the period of his office. Notwithstanding anything contained in these regulations or in any agreement between the Company and such Director, such removal shall be without prejudice to any contract of service between him and the Company.
155. Subject to the provisions of Section 164 of the Act, a Person shall not be eligible for appointment as a Director of the Company, if —

- (a) he is of unsound mind and stands so declared by a competent court;
- (b) he is an undischarged insolvent;
- (c) he has applied to be adjudicated as an insolvent and his application is pending;
- (d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six (6) months and a period of five (5) years has not elapsed from the date of expiry of the sentence:

Provided that if a Person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven (7) years or more, he shall not be eligible to be appointed as a Director in any company;

- (e) an order disqualifying him for appointment as a Director has been passed by a court or Tribunal and the order is in force;
- (f) he has not paid any calls in respect of any Shares of the Company held by him, whether alone or jointly with others, and six (6) months have elapsed from the last day fixed for the payment of the call;
- (g) he has been convicted of the offence dealing with related party transactions under Section 188 of the Act at any time during the last preceding five (5) years; or
- (h) he has not complied with sub-section (3) of section 152 of the Act; or
- (i) he has not complied with the provisions of sub-section (1) of section 165.

Notwithstanding anything contained in (d), (e), (g) aforesaid, the disqualifications referred to in those sub-Articles shall not take effect—

- i. for thirty days from the date of conviction or order of disqualification;
- ii. where an appeal or petition is preferred within thirty days as aforesaid against the conviction resulting in sentence or order, until expiry of seven days from the date on which such appeal or petition is disposed off; or
- iii. where any further appeal or petition is preferred against order or sentence within seven days, until such further appeal or petition is disposed off.

156. No Person who is or has been a Director of a company which—
- (a) has not filed financial statements or annual returns for any continuous period of three financial years; or

- (b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any Debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one (1) year or more;

shall be eligible to be re-appointed as a Director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.

157. (1) Subject to the provisions of the Act, the office of a Director shall become vacant if:

- (a) he incurs any of the disqualifications specified in Section 164 of the Act;

Provided that where he incurs disqualification under sub-section (2) of section 164, the office of the Director shall become vacant in all the companies, other than the Company which is in default under that sub-section.

- (b) he absents himself from all the meetings of the Board of Directors held during the preceding period of twelve (12) months with or without seeking leave of absence of the Board;
- (c) he acts in contravention of the provisions of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested;
- (d) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of Section 184 of the Act;
- (e) he becomes disqualified by an order of a court or the Tribunal;
- (f) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six (6) months:

Provided that the office shall not be vacated by the Director in case of orders referred to in clauses (e) and (f)-

- (i) for thirty days from the date of conviction or order of disqualification;
- (ii) where an appeal or petition is preferred within thirty days as aforesaid against the conviction resulting in sentence or order, until expiry of seven days from the date on which such appeal or petition is disposed of; or
- (iii) where any further appeal or petition is preferred against order or sentence within seven days, until such further appeal or petition is disposed of.

- (g) he is removed in pursuance of the provisions of this Act; and
- (h) he, having been appointed as a Director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company.

158. Subject to the provisions of the Act, a Director may resign his office at any time by providing a notice in writing addressed to the Company or to the Board of Directors.

159. Subject to the provisions of the Act and, the Articles hereof and the observant and fulfilment thereof, Directors (including Managing Director) shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract, or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relation thereby established, provided that the nature of his interest is disclosed by him/her as provided under Section 184 of the Act.

160. A Director, Managing Director, Manager or Secretary of the Company shall within fifteen (15) days of his appointment to or relinquishment of his office as Director, Managing Director, Manager or Secretary in any other body corporate, disclose to the Company, the particulars relating to his office in the other

body corporate.

161. A Director or Manager shall give notice in writing to the Company of his holding of Shares and Debentures of the Company, or its holding or its subsidiary or its associates, together with such particulars as may be prescribed under the Act. If such notice be not given at a meeting of the Board, the Director or Manager shall take all reasonable steps to secure that it is brought up and read at the meeting of the Board next after it is given. The Company shall enter the aforesaid particulars in a Register kept for their purpose in conformity with provisions of the Act.
162. No Director of the Company and no related party shall hold any office or place of profit under the Company, or any subsidiary of the Company except as provided in and subject to the provisions of section 188 of the Act and rules made there under.
163. The Company shall observe the restrictions imposed by Section 185 of the Act on the Company with regard to grant of loan or Security and guarantee to and or behalf of Directors and any other Person in whom the Director is interested.
164. Subject to the provisions of the Act and these Articles, the Company may from time to time increase or reduce within the maximum limit permissible, the number of Directors, provided that any increase in the number of Directors exceeding the limit in that behalf provided by the Act shall not have any effect unless necessary approvals have been taken in accordance with the Act.

#### **RETIREMENT AND ROTATION OF DIRECTORS**

165. (a) Subject to the provisions of the Act, the period of office as Director in case of such Directors as may be determined by the Board, the present Directors, so far as their total number does not exceed one-third of the total number of Directors appointed or the total number which is permissible under the provisions of the Act, for the non-rotation shall not be liable to determination by retirement by rotation of Directors and their number shall not be taken into account in determining the retirement by rotation of Directors or the number of Directors to retire. However, in case their total number exceeds one-third of the total number of Directors appointed in the Board or the number permissible under the provision of the Act for non-rotation of the Directors as the case may be, the Board shall decide as to out of them whose period of office shall be liable to determination by retirement by rotation. The Board of Directors shall take the required decision in this respect in the meeting first held immediately after the insertion of this Article and thereafter every time as and when the total number of Directors is increased or decreased.
- (b) The total number of permanent Directors inclusive of Directors referred to in sub clause (a) above and the aforesaid Managing Director or Managing Directors and or Whole-time Director or Whole-time Directors and Nominee Director appointed by the financial institution shall not exceed one-third of the total strength of the Board of Directors of the Company or the number permissible for non-rotation of the Directors under the provisions of the Act as the case may be. However, in case their total number and/or along with the Directors stated in sub-clause (a) above, as the case may be, exceeds one-third of the total number of Directors appointed in the Board or the number permissible under the provisions of the Act for non-rotation of the Directors as the case may be, the Board shall decide as to out of them whose period of office shall be liable to determination by retirement by rotation from time to time as and when such situation arises.
- (c) Subject to sub-clauses (a) and (b) above, the Board of Directors shall have power to decide as to who out of the Directors should be the non-rotational Director/s.
- (d) At every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation shall retire from office.
- (e) Not less than two-third of the total number of Directors of the Company shall be Persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles, be appointed by the Company in General Meeting.
- (f) The remaining Directors shall be appointed in accordance with the provisions of these Articles.

- (g) The expression “**Retiring Director**” means a Director retiring by rotation.
166. Subject to the provisions of the Act and these Articles, the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between Person who become Directors on the same day, those who are to retire shall in default of and subject to any agreement among themselves, be determined by lot. Subject to the provisions of the Act, a retiring Director shall remain in office until the conclusion of the Meeting at which his reappointment is decided or his successor is appointed.
167. Subject to the provisions of the Act and these Articles, a retiring Director shall be eligible for re-appointment.
168. The Company at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the Retiring Director or some other Person thereto.
169. (1) Subject to the provisions of the Act and these Articles any Person who is not a Retiring Director shall be eligible for appointment to the office of the Director at any General Meeting if he or some Member intending to propose him has, at least fourteen (14) clear days before such Meeting, left at the Registered Office of the Company, a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office as the case may be, along with a deposit of such sum as may, from time to time, be prescribed by the law as Security deposit, which shall be refundable only if the candidate in respect of whom the deposit is made has duly been elected as Directors.
- (2) Every Person (other than a Director retiring by rotation or otherwise or a Person who has left at the office of the Company a notice under Sub-Clause (1) of this Article signifying candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company, his consent in writing to act as a Director if appointed.
- (3) On receipt of the notice referred to in this Article the Company shall inform its Members of the Candidature of that Person for the office of a Director or of the intention of a Member to propose such Person as a candidate for that office by serving individual notice on Members not less than seven days before the Meeting provided that it shall not be necessary for the Company to serve individual notices upon the Members if the Company advertises such candidature or intention not less than seven days before the Meeting in at least two newspapers circulating in the city, town or village in which the Registered Office of the Company is situate of which one is published in the English language and the other in the regional language.
- (4) A Person other than;
- (a) a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office; or
- (b) an additional or Alternate Director, or a Person filling a casual vacancy in the office of a Director, appointed as Director or re-appointed as an additional or Alternate Director, immediately on the expiry of his term of office, or
- (c) a Person named as Director of the Company under these Articles as first registered;
- shall not act as a Director of the Company unless he has within thirty (30) days of appointment signed and filed with the Registrar, his consent in writing to act as such Director.
170. At a General Meeting of the Company, a motion shall not be made for the appointment of two or more Persons as Directors of the Company by a single resolution, unless a resolution that it shall be so made, has first been agreed to by such Meeting without any vote being given against it. A resolution moved in contravention of this Article shall be void whether or not objection so moved is passed no provision for the automatic reappointment of retiring Directors by virtue of these Articles or the Act in default of another appointment shall apply.
- (1) The Company may, subject to the provisions of the Act and these Articles remove any Director

before the expiry of his period of office.

- (2) Special notice shall be given, of any resolution to remove a Director under this Article or to appoint some other Person in place of a Director so removed at the Meeting at which he is removed.
- (3) On receipt of notice of any such resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a Member of the Company) shall be entitled to be heard on the resolution at the Meeting.
- (4) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto, representation in writing to the Company (not exceeding a reasonable length) and requests its notification to the Members of the Company, the Company shall unless the representation is received by it too late for it to do so; (a) in the notice of the resolution given to the Members of the Company state the fact of the representation having being made; and (b) send a copy of the representation to every Member of the Company and if a copy of the representation is not sent as aforesaid because it has been received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the Meeting. Provided that copies of the representation shall not be read out at the Meeting if, on the application either of the Company or of any other Person who claims to be aggrieved, the Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.
- (5) A vacancy created by the removal of Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board be filled by the appointment of another Director in his place by the Meeting at which he is removed provided special notice of the intended appointment has been given under sub-clause (2) of this Article 170. A Director so appointed shall hold office until the date up to which his predecessor would have held office if he had not been removed as aforesaid.
- (6) If the vacancy is not filled under Sub-Clause (5) it may be filled as casual vacancy in accordance with the provisions of the Act and all the provisions of the Act and the rules thereunder shall apply accordingly.
- (7) A Director who was removed from office under this Article shall not be reappointed as Director by the Board of Directors.
- (8) Nothing contained in this Article shall be taken:
  - (a) as depriving a Person removed thereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as Director; or
  - (b) as derogating from any power of the Company to remove a Director, which may exist apart from this Article 170.

#### **MEETING OF THE BOARD**

171. The Board may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

Subject to the provisions the Act, the Board shall hold a minimum number of four (4) meetings in a year in such a manner that not more than one hundred and twenty (120) days shall intervene between two (2) consecutive meetings of the Board.

172. A Director or the Managing Director may at any time and the Secretary upon the request of a Director shall convene a meeting of the Board.

Subject to the provisions of the Act allowing for shorter notice periods, a, a meeting of the Board shall be convened by giving not less than 7 (seven) days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means.

Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director shall be present at the meeting. In case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director.

173. Subject to the provisions of the Act, the quorum for a meeting of the Board of Directors shall be one third of the total strength of the Board of Directors (excluding Directors, if any, whose places may be vacant at the time, and any fraction contained that one-third being rounded off as one) or two (2) Directors, present in person or attending through any type of electronic mode like video conferencing, whichever is higher, provided that where at any time the number of interested Directors exceeds, that is to say, the number of Directors, who are not interested and are present at the meeting, not being less than two, shall be quorum during such meeting. For the purposes of this sub-clause, interested Director means a Director within the meaning of Section 184(2) of Act. A meeting of the Directors for the time being at which quorum is present shall be competent to exercise all or any of the authorities powers and discretion by or under the Act or the Articles of the Company, for the time being vested in or exercisable by the Board of Directors generally.
174. If within half an hour from the time fixed for holding a meeting of the Board, a quorum as specified above is not present, the meeting shall stand adjourned to the same day, time and place by two weeks unless otherwise agreed upon by the parties concerned, and if at such adjourned meeting of the Board the quorum as stated herein is not present within half an hour from the time fixed for holding the meeting, the Directors present shall constitute a valid quorum.
175. The Board shall elect one of its Directors to be the Chairman of the Board and also elect one of its Directors to be Vice-Chairman of the Board and the Board shall determine the period for which each of them is to hold such office.
176. All meetings of the Directors shall be presided over by the Chairman, if present, but if at any meeting of the Directors the Chairman be not present at the time appointed for holding the same, then in that case, the Vice-Chairman if present, shall be the Chairman of such meeting, and if the Vice-Chairman be not present, then in that case, the Directors shall choose one of their Member then present to preside at the meeting.
177. Save as otherwise expressly provided in the Act, a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Articles of the Company for the time being vested in or exercisable by the Directors generally and all matters arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes, the Chairman of the Board, if any at such meeting shall not have second or casting vote.
178. Subject to the provisions of the Act and these Articles the Board may delegate any of their powers to a committee consisting of such Director or Directors of their body, as they think fit and they may from time to time revoke and discharge any such committee either wholly or in part and either as to person or purposes, but every committee so formed shall, in the exercise of the powers so delegated to it confirm to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such committee in conformity with such regulations and in fulfillment of the purpose of their appointment but not otherwise shall have the like force and effect as it done by the Board. Subject to the provisions of the Act the Board may from time to time fix the remuneration to be paid to any Director or Directors of their body constituting a committee appointed by the Board in terms of these Articles and may pay the same.
179. The participation of Directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means, as may be prescribed by the Rules or permitted under law.
180. A Committee may elect a Chairman of its meetings unless the Board, while constituting a Committee, has appointed a Chairman of such Committee.
181. If no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairman of the meeting.



182. Committee may meet and adjourn as it thinks fit.
183. Matters arising at any meeting of a Committee shall be determined by a majority of votes of the members present unless otherwise stated in the Act.
184. In case of an equality of votes, the Chairman of the Committee shall not have a second or casting vote.
185. (1) Subject to the provisions of Section 174 of the Act, a resolution passed in writing by circular without a meeting of the Board or a committee of the Board appointed under these Articles, shall subject to the provisions of sub clause (2) hereof, and the Act, be as valid and effectual as resolution duly passed at meeting of the Board or of a committee duly called and hold.
- (2) A resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, if the resolution has been circulated in draft together with the necessary papers, if any, to all the Directors or to all the Members of the Committee then in India (not being less in number than the quorum requisite for a meeting of the Board of the Committee as the case may be) and to all other Directors or Members of the Committee at their usual address in India by hand delivery, post, courier or prescribed electronic mode and has been signed, whether manually or by electronic mode or approved electronically through e-mail or any other permitted mode by majority of the Directors or members of the Committee as are entitled to vote on the resolution.
- (3) Subject to the provisions of the Act, statement signed by the Managing Director or other Person authorized in that behalf by the Directors certifying the absence from India of any Directors shall for the purposes of this Article be conclusive evidence of the facts stated therein.
186. Subject to the provisions of the Act and these Articles, all acts done by any meeting of the Directors or by a Committee of Directors or by any Person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or Person acting as aforesaid or that they or any of them were or was disqualified, or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, may be as valid as if every such Person had been duly appointed and was qualified to be a Director, provided that nothing in this Article shall be deemed to give validity to acts done by the Directors after their appointment had been shown to the Company to be invalid or to have terminated.
187. The Company shall cause minutes of the meeting of the Board of Directors and of Committees of the Board to be duly entered in a book or books provided for the purpose in accordance with the relevant provisions of Section 118 of the Act. The minutes shall contain a fair and correct summary of the proceedings of the meeting including the following:
- (i) The names of the Directors present at the meeting of the Board of Directors or any Committee thereof;
- (ii) All orders made by the Board of Directors;
- (iii) All resolutions and proceedings of meetings of the Board of Directors and Committees thereof;
- (iv) In the case of each resolution passed at a meeting of the Board of Directors or Committee thereof the names of Directors if any, dissenting from or not concurring in the resolution.
188. All such minutes shall be signed by the Chairman of the Concerned meeting or by the Person who shall preside as Chairman at the next succeeding meeting and all the minutes purported to be so signed shall for all actual purposes whatsoever be prima facie evidence of the actual passing of the resolution recorded and the actual and regular transaction or occurrence of the proceedings so recorded and of the regularity of the meetings at which the same shall appear to have taken place.
189. (1) Subject to the provisions of the Act and these Articles the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorized to exercise, and do. Provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or any other Act or by the Memorandum or these Articles or otherwise to be exercised or done by the Company in General Meeting. Provided further that in exercising any such act or thing the Board shall be subject to the provisions contained

in that behalf in the Act or in the Memorandum or in these Articles of in any regulations not inconsistent therewith duly made thereunder including regulations made by the Company in General Meeting.

(2) The Chairman of the Meeting may exclude at his absolute discretion such of the matters as are or would reasonably be regarded as defamatory of any Person, irrelevant, or immaterial to the proceedings or detrimental to the interests of the Company.

## **REGISTERS**

190. (1) Company shall maintain all Registers as required by the Act or these Articles including the following, namely:
- (a) Register of Members;
  - (b) Register of Debenture Holders;
  - (c) Register of other Security holders;
  - (d) Register of Securities/ Shares bought back;
  - (e) Register of Charges;
  - (f) Register of Directors, Key Managerial Personnel;
  - (g) Register of loans, investments, guarantees and Securities;
  - (h) Register of Investments not held by the Company in its own name;
  - (i) Register of contracts, arrangements in which the Directors are interested;
  - (j) Such other statutory registers as may be prescribed under the relevant and applicable provisions of the Act, from time to time.
- (2) The said Registers, shall be kept open for inspection at the Registered Office of the Company for such Persons as may be entitled thereto respectively under the Act and these Articles on such days and during such business hours as may be determined in accordance with the provisions of the Act these Articles and extracts therefrom shall be supplied to those Persons entitled thereto in accordance with the provisions of the Act and these Articles.
- (3) The Company may keep a foreign Register of Members in accordance with the provisions of the Act. The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the Register of Members. The Directors may from time to time, make such provisions as they may think fit in respect of the keeping of the branch Registers of Members and/or Debenture holders.

## **THE SEAL**

191. The Board may provide a Seal for the purpose of the Company, and shall have the power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Directors shall provide for the safe custody of the Seal, if any, for the time being, and the Seal shall never be used except by or under the authority of the Directors or a committee of Directors previously given.
192. The common Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or a Committee of the Board authorized by it in that behalf, and except in the presence of at least one (1) Director the Secretary or such other Person as the Board may authorise for the purpose and such Director and Secretary or Person shall sign every instrument to which the Seal of the Company is so affixed in their presence. In absence of the Director of the Company, the common Seal of the Company shall be affixed by at least two Authorised Officers of the Company authorized in that behalf and such Authorised Officers shall sign every instrument to which the Seal of the Company is so affixed in their presence. The Share certificates will, however, be signed and sealed in accordance with Rule 5 of the Companies (Share Capital and Debentures) Rules, 2014.

## **DIVIDENDS**

193. The Company in General Meeting may subject to Section 123 declare dividends to be paid to Members, but no dividend shall exceed the amount recommended by the Board.
194. Subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the

Members, such interim dividends of such amount on such class of Shares and at such times as it may think fit.

195. (i) Dividend shall be declared or paid by a Company for any financial year
  - (ii) The Board may, before recommending any dividend, set aside out of the profits of the Company, such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the Business of the Company or be invested in such investments (other than Shares of the Company) as the Board may, from time to time, think fit.
  - (iii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
196. (i) Subject to the rights of Persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, dividends may be declared and paid according to the amounts of the Shares.
  - (ii) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purposes of this Article as paid on the Share.
  - (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid; but if any Share is issued on terms providing that it shall rank for dividend as from a particular date such Share shall rank for dividend accordingly.
197. The Board may deduct from any dividend payable to any Member, all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares of the Company.
198. (i) Any dividend, interest or other monies payable in cash in respect of Shares maybe paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such Person and to such address as the holder or joint holders may in writing direct.
  - (ii) Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent.
199. Any one of two or more joint holders of a Share may give effective receipts for any dividends, bonuses or other monies payable in respect of such Share.
200. Notice of any dividend, whether interim or otherwise that may have been declared shall be given to the Persons entitled to Share therein in the manner mentioned in the Act.
201. No dividend shall bear interest against the Company. There will be no forfeiture of unclaimed dividends before the claim becomes barred by law.

Where the Company has declared a dividend which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any Shareholder entitled to the payment of the dividend the Company shall within such period as prescribed under Applicable Law, open a special account in that behalf in any scheduled bank and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as the Investor Education and Protection Fund established under Section 125 of the Act. A claim to any money so transferred to the Investor Education and Protection Fund may be preferred to the Central Government by the Shareholders to whom the money is due. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by the law.

## **RESERVES AND CAPITALISATION OF PROFITS**

202. The Board may, before recommending any dividend set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, at the like discretion, either be employed in the Business of the Company or as may be permitted by the Act, applied for payment of dividend or be invested in such investments and in such manner or as may be permitted by the Act and as the Board may from time to time think fit.
203. (i) The Company in General Meeting may, upon the recommendation of the Board, resolve:
- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in Article 203(ii) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards—
- (A) paying up any amounts for the time being unpaid on any Shares held by such Members respectively;
  - (B) paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully Paid-Up, to and amongst such Members in the proportions aforesaid;
  - (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
  - (D) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of un-issued Shares to be issued to Members of the Company as fully paid bonus Shares;
  - (E) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
204. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid Shares, if any; and
  - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power—
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares becoming distributable in fractions; and
  - (b) to authorize any Person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further Shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing Shares;
- (iii) Any agreement made under such authority shall be effective and binding on such Members.

## **ACCOUNTS AND INSPECTION OF ACCOUNTS**

205. The Company shall keep at its registered office books of account and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs

of the Company, including that of its branch office or offices, if any.

The Board of Directors may decide to keep all or any of the books of account aforesaid and other relevant papers at such other place in India as it may decide subject to the provisions of Section 128 of the Act and the Rules referred therein.

All the aforesaid books shall give a true and fair picture of the financial position of the Company.

206. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions and regulations the accounts and books of the Company or, any of them, shall be open to the inspection of Members not being Directors and no Member (not being Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorized by the Company in General Meeting. Each Director shall be entitled to examine the books, accounts and records of the Company, and shall have free access, at all reasonable times and with prior written notice, to any and all properties and facilities of the Company.
207. At every Annual General Meeting the Board shall lay before the Company, financial statements for the financial year (standalone) along with the reports thereto, prepared in accordance with the provisions of the Act so far as they are applicable to the Company.
208. In the event the Company is having subsidiary or subsidiaries, the Company, shall in addition to financial statements provided herein above prepare a consolidated financial statement of the Company and of all the subsidiaries of the Company which shall also be laid before the Annual General Meeting of the Company along with the standalone financial statements.
209. The Company shall comply with the requirements of the Act and make necessary arrangement for of Section 136 of the Act.

#### **AUDIT**

210. The appointment, removal, remuneration, rights, obligations and duties of the Auditor or Auditors shall be regulated by the provisions of the Act.

#### **DOCUMENTS AND SERVICE OF DOCUMENTS**

211. A Document (may be served or sent by the Company or to any Member either personally or by sending it by post to him at his registered address or at the address, if any within India supplied by him to the Company or by courier or by such electronic mode as may be prescribed under the Act.

Where a Document is sent by post, service of notice shall be deemed to have been effected in the case of a notice of a Meeting at the expiration of 48 hours after the notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.

212. A Document may be served by the Company on the Persons entitled to a Share in consequence of the death or insolvency of a Member by sending it through the post or such other permitted mode addressed to them by name or by the title of representative of the deceased or Assignee of the insolvent or by any like description at the address (if any) in India supplied for the purpose by the Persons claiming to be so entitled or (until such as address has been so supplied) by serving the Document in any manner been so supplied) by serving the Documents in any manner in which the same might have been served if the death or insolvency has not occurred.
213. A Document may be given by the Company to the joint-holders of a Share by giving it to the joint-holder named first in the register in respect of the Share.
214. Subject to the provisions of the Act and these Articles, notices of the General Meetings shall be given;
  - (i) to all Members of the Company as provided and in the manner authorized by these Articles;
  - (ii) to the Persons entitled to a Share in consequence of the death or insolvency of a Member.
  - (iii) to the Auditor or Auditors, Secretarial Auditor, if any, and Cost Auditor for the time being of the

Company, in any manner authorized by these Articles.

(iv) to Directors of the Company

(v) to Debenture Trustee(s), if any.

215. Subject to the provisions of the Act any Document required to be served or sent by the Company on or to the Members or any of them, and not expressly provided for herein shall be deemed to be duly served or sent if advertised once in one daily English and one daily vernacular newspaper circulating in the district in which the Registered Office of the Company is situated.
216. All notices to be given on the part of the Members to the Company shall be kept at or sent by registered post or courier or speed post to the Registered Office of the Company or may be sent by means of such electronic mode or other mode as may be prescribed from time to time

#### **WINDING UP**

217. Subject to the provisions of Chapter XX of the Act and rules made thereunder:
- a) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
  - b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.
  - c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any Shares or other Securities whereon there is any liability.

#### **SECRECY CLAUSE**

218. No Member shall be entitled to inspect the Company's works without the permission of the Directors or the Managing Director or to require discovery of any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process, which may relate to the conduct of the Business of the Company and which in the opinion of the Director or the Managing Director it will be inexpedient in the interest of the Members of the Company to communicate to the public.

#### **INDEMNITY AND INSURANCE**

219. Every officer, Director and Key Managerial Personnel of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.
220. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and Officers for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

#### **GENERAL AUTHORITY**

221. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company cannot carry out any transaction unless the Company is so authorized by its Articles then in that case, these Articles hereby authorize and empower the Company to have such rights, privilege or authority and to carry out such transaction as have been permitted by the Act.
222. At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the Act and the SEBI Listing Regulations, then the provisions of the Act and the SEBI Listing Regulations shall prevail over the Articles to such extent and the Company shall discharge all of its obligations as prescribed under the Act and the SEBI Listing Regulations, from time to time.

## SECTION IX – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and subsisting contracts, which have been entered or are to be entered into by our Company which are, or may be, deemed material, will be attached to the copy of this Red Herring Prospectus and the Prospectus, as applicable, which will be delivered to the RoC for filing. These documents and subsisting contracts referred to hereunder, copies of which will be attached to the copy of the Red Herring Prospectus and filed with the RoC, may be inspected at our Registered Office between 10 a.m. and 5 p.m. on all Working Days from date of this Red Herring Prospectus until the Bid/ Offer Closing Date. Further, the copies of these documents for inspection have also been uploaded on the website of our Company at <https://www.kfintech.com/disclosures/> and are available for inspection from the date of this Red Herring Prospectus until Bid/Offer Closing Date.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time, if so required, in the interest of our Company, or if required by the other parties, without reference to the Shareholders, subject to compliance with the provisions of the Companies Act and other applicable law.

#### A. Material Contracts for the Offer

1. Offer Agreement dated March 31, 2022 between our Company, the Promoter Selling Shareholder and the Book Running Lead Managers.
2. Registrar Agreement dated March 30, 2022 between our Company, the Promoter Selling Shareholder and the Registrar to the Offer.
3. Cash Escrow and Sponsor Bank Agreement dated December 10, 2022 between our Company, the Promoter Selling Shareholder, the Registrar to the Offer, the Book Running Lead Managers, the Syndicate Member, the Escrow Collection Bank, Sponsor Banks, Public Offer Bank(s) and the Refund Bank.
4. Share Escrow Agreement dated December 10, 2022 between our Company, the Promoter Selling Shareholder and the Share Escrow Agent.
5. Syndicate Agreement dated December 10, 2022 between our Company, the Promoter Selling Shareholder, the Book Running Lead Managers and the Syndicate Member.
6. Underwriting Agreement dated [●] between our Company, the Promoter Selling Shareholder and the Underwriters.

#### B. Material Documents

1. Certified copies of the MoA and AoA of our Company, as amended.
2. Certificate of incorporation dated June 8, 2017 issued by RoC in the name of 'KCPL Advisory Services Private Limited'.
3. Fresh certificate of incorporation dated February 24, 2022 issued by the RoC to our Company for change in name of our Company to 'KFin Technologies Limited'.
4. Resolution of the Board dated March 24, 2022 in relation to the Offer and other related matters.
5. Resolution of our Board and IPO Committee dated March 30, 2022 and March 31, 2022, respectively, approving the Draft Red Herring Prospectus.
6. Resolution of our Board dated December 10, 2022, approving this Red Herring Prospectus.
7. Copies of the annual reports of our Company for the Financial Years 2022, 2021 and 2020.
8. The independent auditors' examination report dated November 17, 2022 of the Statutory Auditor, on our Restated Consolidated Financial Information, included in this Red Herring Prospectus.

9. The Statement of Possible Special Tax Benefits dated December 1, 2022 issued by the Statutory Auditors.
10. Resolutions of the Board of Directors dated June 6, 2022 and March 2, 2022 passed for approving the revised terms and conditions of remuneration of Venkata Satya Naga Sreekanth Nadella, Managing Director and Chief Executive Officer of the Company.
11. Resolution of the Board of Directors dated March 2, 2022 passed for approving the revised terms and conditions of remuneration of Vishwanathan Mavila Nair, Chairman and Non-executive Director and Srinivas Peddada, Non-Executive Director of the Company.
12. Consent in writing of our Directors, our Company Secretary and Compliance Officer, Banker(s) to the Company, legal counsels appointed for the Offer, the Book Running Lead Managers, the Registrar to the Offer, the Syndicate Member, Escrow Collection Bank, Public Offer Bank(s), Refund Bank, Sponsor Banks, as referred to in their specific capacities.
13. Written consent dated December 1, 2022 from B S R & Associates LLP, Chartered Accountants, to include their name as required under section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated November 17, 2022 on our Restated Consolidated Financial Information; and (ii) their report dated December 1, 2022 on the Statement of Possible Special Tax Benefits in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act;
14. Our Company has received written consent dated December 1, 2022, from the independent chartered accountant, namely M H A & Associates LLP, to include its name as an “expert” as defined under Section 2(38) of the Companies Act, 2013;
15. Scheme of Amalgamation between Karvy Consultants Limited, Karvy Computershare Private Limited and our Company pursuant to provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013
16. Share purchase agreement dated December 31, 2021 between our Company, M.S. Chandrasekher, Ravi Seshadri, A.K. Sridhar, Padma Sridhar, Ravindranath Ramakrishna, Susheela R.K. Ravindranath Ramakrishna HUF, Arun Menon, Kreethana Menon, Malavika Menon and Hexagram Fintech Private Limited.
17. Shareholders’ agreement dated September 19, 2021 between General Atlantic Singapore Fund Pte. Ltd. and General Atlantic Singapore KFT Pte. Ltd, Kotak Mahindra Bank Limited and our Company.
18. Report titled “*Assessment of Investor and Issuer Solutions industry across asset classes in India, South East Asia and Hong Kong*” dated November 25, 2022 issued by CRISIL commissioned for an agreed fee, exclusively for the purpose of this Offer and consent issued in relation to such report dated November 25, 2022 by CRISIL, available at <https://www.kfintech.com/disclosures/>.
19. Consent letter from the Promoter Selling Shareholder authorising its participation in the Offer.
20. Due diligence certificate dated March 31, 2022, addressed to SEBI from the Book Running Lead Managers.
21. In – principle approvals each dated June 16, 2022 issued by BSE and NSE, respectively.
22. Tripartite agreement dated March 22, 2022 between our Company, NSDL and the Registrar to the Offer.
23. Tripartite agreement dated March 21, 2022 between our Company, CDSL and the Registrar to the Offer.



24. SEBI interim observation letter bearing reference number SEBI/CFD/DIL1/P/OW/2022/17505/1 and dated April 25, 2022.
25. E-mail complaint dated April 1, 2022 addressed by Vijayakumar M G to SEBI, along with the response dated April 12, 2022.
26. E-mail complaint dated April 19, 2022 addressed to SEBI, along with the response dated May 2, 2022.
27. Complaint dated May 11, 2022 addressed by HDFC Bank Limited to SEBI, along with the response dated May 18, 2022.
28. Complaint dated July 14, 2022 addressed by HDFC Bank Limited to SEBI, along with the response dated July 21, 2022.
29. SEBI final observation letter bearing reference number SEBI/HO/CFD/RAC-DIL1/P/OW/2022/56850/1 and dated November 7, 2022.
30. Exemption letter from SEBI bearing reference number SEBI/HO/CFD/RAC-DIL-1/P/OW/2022/52552/1 dated October 14, 2022 based on the exemption application dated August 17, 2022 read with the addendum to the exemption application dated October 4, 2022 filed by our Company with SEBI;
31. Exemption letter from SEBI bearing reference number SEBI/HO/CFD/RAC-DIL-1/P/OW/2022/52550/1 dated October 14, 2022 based on the exemption application dated October 1, 2022 filed by our Company with SEBI;
32. Intimation letter to ED dated October 25, 2021 in relation to allotment of RPS to Adhiraj Parthasarathy.
33. Certificate dated December 10, 2022 from M H A & Associates LLP, Chartered Accountants on Basis for Offer Price and the key performance indicators included in the Basis for Offer Price section.
34. Certificate dated November 25, 2022 from Mahadev Tirunagari, Company Secretary on certain of the Group Companies, *i.e.*, Compar Estates and Agencies Private Limited, Karvy Stock Broking Limited and Karvy Data Management Services Limited.
35. Search reports dated (i) October 3, 2022, (ii) August 8, 2022, (iii) June 7, 2022, and (iv) February 10, 2022, each issued by Mahadev Tirunagari, Company Secretary for Compar Estates and Agencies Private Limited.
36. Search reports dated (i) October 3, 2022, (ii) August 8, 2022, (iii) June 8, 2022 and executed on June 9, 2022, and (iv) February 10, 2022, each issued by Mahadev Tirunagari, Company Secretary for Karvy Stock Broking Limited.
37. Search reports dated (i) October 3, 2022, (ii) August 8, 2022, (iii) June 7, 2022, and (iv) February 10, 2022, each issued by Mahadev Tirunagari, Company Secretary for Karvy Data Management Services Limited.
38. Subscription agreement dated May 28, 2021, with Adhiraj Parthasarathy, Rajat Parthasarathy and C. Parthasarathy, for the issuance of non-convertible redeemable preference shares to Adhiraj Parthasarathy.

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules made and guidelines or regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

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**Vishwanathan Mavila Nair**

*Chairman and Non-executive Director*

**Place:** Mumbai

**Date:** December 10, 2022

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules made and guidelines or regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

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**Venkata Satya Naga Sreekanth Nadella**

*Managing Director and Chief Executive Officer*

**Place:** Hyderabad

**Date:** December 10, 2022

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules made and guidelines or regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

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**Sandeep Achyut Naik**

*Non-executive Nominee Director*

**Place:** Singapore

**Date:** December 10, 2022

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules made and guidelines or regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

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**Shantanu Rastogi**

*Non-executive Nominee Director*

**Place:** Mumbai

**Date:** December 10, 2022

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules made and guidelines or regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

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**Srinivas Peddada**

*Non-executive Director*

**Place:** Hyderabad

**Date** December 10, 2022

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules made and guidelines or regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

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**Jaideep Hansraj**

*Non-executive Nominee Director*

**Place:** Mumbai

**Date:** December 10, 2022

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules made and guidelines or regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

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**Prashant Saran**

*Independent Director*

**Place:** New Delhi

**Date:** December 10, 2022



## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules made and guidelines or regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

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**Sonu Halan Bhasin**

*Independent Director*

**Place:** Delhi

**Date:** December 10, 2022

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules made and guidelines or regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

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**Kaushik Mazumdar**

*Independent Director*

**Place:** Mumbai

**Date:** December 10, 2022

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules made and guidelines or regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Red Herring Prospectus are true and correct.

**Signed by the Chief Financial Officer of our Company**

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**Vivek Narayan Mathur**

*Chief Financial Officer*

**Place:** Mumbai

**Date:** December 10, 2022

## DECLARATION

The undersigned Promoter Selling Shareholder hereby confirms that all statements, disclosures and undertakings made or confirmed by it in this Red Herring Prospectus about or in relation to itself, as the Promoter Selling Shareholder and its portion of the Offered Shares, are true and correct. The undersigned Promoter Selling Shareholder assumes no responsibility for any other statements, disclosures and undertakings, including any statements, disclosures and undertakings made by, or relating to the Company or any other person(s) in this Red Herring Prospectus.

**Signed for and on behalf of General Atlantic Singapore Fund Pte. Ltd.**

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Authorised Signatory: Ong Yu Huat

Designation: Director

Place: Singapore

Date: December 10, 2022